INDUSTRIAL RELATIONS IN THE CHICAGO BUILDING TRADES

ROYAL E. MONTGOMERY

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IN THE
CHICAGO BUILDING TRADES

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BY

ROYAL E. MONTGOMERY

INSTRUCTOR IN INDUSTRIAL RELATIONS
THE UNIVERSITY OF CHICAGO

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PREFACE

The problems growing out of industrial relations in the construction industry are so far reaching in their implications that the writing of a book upon the Chicago building trades does not require apology. Building-trades unions are an important segment of that powerful and articulate social force we know as organized labor. The purposes, policies, and methods of the organized workers and their employers have a significance quite aside from their academic interest to the student of labor problems; they are matters in which almost all members of the community have a real concern. How often has the man on the street in Chicago, or New York, or any large city, cursed the building-trades unions as the cause of high building costs, inadequate housing facilities, and excessive rents? How often have we been told that the building industry is monopolistic, or graft ridden, or full of waste-producing rules? About the problems and the real and alleged abuses in the construction industry we have all heard and said much, but have we not been negligent in trying to analyze the environmental forces begetting and coloring these problems as an essential preliminary to sober consideration of what constitutes desirable public policy?

This volume is what the title indicates—a study of industrial relations. No attempt has been made to deal with all the problems that are constantly arising in the construction industry. Indeed, I am well aware that some of the issues rather directly connected with employer-worker relationships have not been discussed in great detail. Yet it is hoped that the account of collective bargaining in this market, the survey of the forces making collective bargaining what it has been, the discussion in Part II of the outstanding special problems, the analysis of the condi-

tions that were responsible for the attempt of a group of citizens to police the industry after 1921, and the story of this experiment in outside intervention may be suggestive of some of the factors that must inevitably be taken into account if we are to deal intelligently with that hydra-headed thing, "the building problem."

The investigation upon which this book is based was undertaken at the suggestion of Professor Harry A. Millis, of the University of Chicago, the teacher who first stimulated my interest in the study of labor problems. Professor Millis' interest in the work has been unceasing, and his time and effort have been given unstintingly. My obligations to him for numerous suggestions, constant encouragement, kindly criticism, and almost day-to-day counsel are much greater than I am able to indicate within the rather formal lines of this Preface. So many of those actively connected with the industry have aided in one way or another that individual acknowledgment is impossible. Special mention should be made, however, of the help of Mr. E. M. Craig, secretary of the Building Construction Employers' Association; Mr. J. J. Conroy, secretary of the Chicago Building Trades Council; and Mr. T. E. Donnelley, chairman of the Citizens' Committee to Enforce the Landis Award. To acknowledge my indebtedness to these gentlemen (or, for that matter, to any of those mentioned in this Preface) is not to imply that they agree with the interpretations that have been set forth; it is merely to record my gratitude for their courteous rendering of a kind of service that is often arduous. A word of thanks should be given, also, to the many already overburdened union officials who have supplied me with material. Presumably almost all of them will disagree vigorously and picturesquely with some of the conclusions I have reached, but this does not lessen my obligation to them. For a reading of portions of the manuscript and many valuable suggestions, I am indebted to Professors L. C. Marshall and

R. W. Stone, of the University of Chicago, and to Mr. Luke Grant, formerly with the United States Commission on Industrial Relations. I wish also to acknowledge my gratitude for assistance by the Local Community Research Committee of the University of Chicago.

R. E. M.

University of Chicago
April, 1927

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CHAPTER I

AN INTRODUCTORY STATEMENT

In 1921 an arbitrator declared that the building industry of Chicago had come to be looked upon as a "thing diseased"—as a line of activity which "the wise dollar avoided." The arbitrator referred to conditions that were, he believed, outgrowths of the system of collective bargaining that had obtained, with variations now and then, since the beginning of the century. When applying his remedy he stated that he spoke for the "great unrepresented party" in building-trades disputes, the public; and his affirmation of public concern in the affairs of the industry was truthful. Buildings are one of the primary necessities of life, and the relations and ramifications of the industry whose function it has been to house the people, erect the skyscrapers, and make possible the physical expansion of the second city in the United States extend to almost every phase of the community's social and economic development. The chief business of the present volume is to discuss the system of joint dealing in the Chicago building market, the problems that have emerged out of the system, and, when possible, the tentative solutions that might be applied to some of these problems.

The construction industry affords a fertile but as yet little-worked field for the study of militant American business unionism. Building-trades workers were strongly organized in the larger cities of the United States during the days when the American Federation of Labor was in its infancy. They have retained this strength of organization—possibly too much strength, at times, for their own good—during the decades that

have witnessed the battle for unionization in other industries. Nor has unionism in this industry shifted substantially from its early policies and philosophy—the policies and philosophy of craft-conscious, pragmatic business unionism. Composed of wage-earners who accept industrial society as it is, who often have personal and community interests separated from those of the wage-earning class as a class, who are opportunistic in their outlook, who sell their services under technological and market conditions that are conducive to the type of unionism that concerns itself with immediate and practical ends, and who therefore regard their organizations as devices for improving wages and conditions here and now rather than for the furtherance of any loosely conceived "labor movement," the organizations of wage-earners in the construction industry have been in the past, and in all likelihood will continue to be in the future, essentially "business unions."[1]

Perhaps in no urban center have the problems of employer-worker dealings in this industry been more clearly exemplified than in Chicago. The rapid growth of the city has resulted in a series of developmental forces, ordinarily working themselves out in a century or a century and a half, here being crowded into only a little more than fifty years. As a consequence the problems have been unusually acute and the issues more clearly drawn than elsewhere. From a city of 109,260 inhabitants in 1860, Chicago grew to an urban center of 1,698,000 in 1900, 2,185,000 in 1910, 2,701,000 in 1920, and approximately 3,000,000 in 1927. With the continual planning, building, wrecking, and rebuilding that such a growth necessitated, with construction work generally lagging behind the increasing needs, there came a demand for the services of building-trades craftsmen that goes far in explaining the history of the Chicago construction

[1] Cf. the "functional" classification of unions in Hoxie, *Trade Unionism in the United States*, pp. 45–52.

trades.[2] Not only did the rapid expansion of the market give opportunity for organization and bargaining strength on the part of the workers, but it was at least partly responsible for those practices and conditions that have led the public to believe that it has a case against the construction industry: the frequent narrow-mindedness and short-sightedness, the lack of a sense of social responsibility on the part of those responsible for the character of employer-worker relations, the bickerings and squabbles, the petty internal politics on each side, the graft, the jurisdictional disputes, the restrictive regulations, the monopolistic combinations, and the economic wastes. Practices and problems such as these have probably been inevitable in view of the fact that the industrial relations discussed in the following chapters have had their setting in the ever-growing labor market of Chicago.

While a study of a group of labor organizations including some 60,000 to 65,000 wage-earners,[3] upon whom approximately 150,000 other persons are dependent for subsistence, should be of somewhat wider application than merely to the particular group with which it is primarily concerned, while it should per-

[2] In 1902 Chicago's buildings cost $48,242,990; in 1903, $47,295,000; in 1904, $44,735,058; in 1905, $65,000,000; in 1906, $64,709,325; in 1907, $59,093,080; in 1908, $67,234,800; in 1909, $95,238,380; in 1910, $96,832,000; in 1911, $103,272,000; in 1912, $83,170,000; in 1913, $89,668,472; in 1914, $83,261,710; in 1915, $97,290,400; in 1916, $112,835,150; in 1917, $49,167,000; in 1918, $34,792,200; in 1919, $101,198,250; in 1920, $84,602,650; in 1921, $133,028,000; in 1922, $229,953,000; and in 1923, $334,672,000 (*Statistical Abstract of the U. S.*). These data must, of course, be modified in accordance with the fall in the purchasing power of the dollar. Also, they are based upon new buildings; repair work is not included. The slump of 1917 and 1918 was due to the war, and was greater than the figures indicate when the rise in prices is taken into consideration, just as the increase since 1920 is greater than the figures indicate when the drop in prices after July, 1920, is remembered.

[3] As an average for the 1910–20 decade. By 1920 the combined membership of the unions was approximately 70,000, and at the present time, as is indicated later, it considerably exceeds this figure.

haps throw some light upon the questions of why trade unions behave as they do in particular situations and under certain types of stimuli and of the economic consequences of the presence of unionism in our industrial society, the problems of labor organization and collective dealing are, at the same time, always shaped and colored to an extent by the characteristics of the particular industry in which they evolve. This extent is very considerable when that industry is the one concerned with the construction and alteration of buildings. Some mention of the economic environment of these workers and employers should, therefore, preface the detailed story of the development of the organizations on each side, their struggles, and their dealings with each other.

It frequently has been said, with no great amount of exaggeration, that construction may become the most parasitic of all lines of economic activity. The fact that buildings are a nontransportable commodity eliminates intermarket competition; the public must pay the manufacturing costs in Chicago regardless of what they may be elsewhere. Employers are not in the long run, therefore, as greatly concerned about practices, rules, or wage concessions that may advance the cost of their commodity as they are in other businesses. Indeed, there is a rather constant temptation to employers who are members of trade associations to enter into exclusive agreements with both materials dealers and organized workers when, as a result of such contracts, independent contractors will be deprived of the services of craftsmen. This essentially localized character of the industry reacts, also, upon the behavior of the workers. Organization is stimulated, for if the local market can be monopolized, the workers need not fear that the market for the commodity they are making will be spoiled by competition with goods manufactured where the labor cost is less. The advantages of unionism to the average worker are always very immediate in an industry

where the "cost-plus" can be passed on to the consumer. Also, the localized character of the industry has given the labor organizations a rather localized range of interests. Not only has it made them craft conscious, but it has made them craft conscious as of a given market. Frequently the Chicago locals have been indifferent to the rules and by-laws of their national and international organizations, and when the interest of a local group of craftsmen has conflicted with the interest of workers in the same trade throughout the country, the former has generally triumphed. In more than one case the Chicago locals have found it advantageous to make agreements not in accordance with the constitutions of their international organizations, and the internationals have often been unable to prevent such violations.

The need of quick action is another of the peculiar characteristics of the construction industry. Ordinarily men must be had immediately when a contract has been let. Delay means greater cost; and if work is being done under one of the "time contracts," the contractor must pay a forfeit if he does not complete the building by a certain day. A slight increase in the rate of wages is not to be feared so much as the time lost as a result of a stoppage or strike. The extent to which the construction of apartment and office buildings has become a speculative proposition and the large amount of capital tied up in partially completed structures often mean that it is better from the point of view of the contractor to settle impending labor difficulties even in a manner involving considerable immediate cost rather than to suffer a stoppage of work. To this need of quick action can be attributed in large measure those cases—often exaggerated but nevertheless sometimes very real—in which the principles of collective bargaining have been buried beneath a maze of exploitative practices.

In the fact that the manufacture of buildings is carried on under extreme specialization and subdivision of labor and in the

technological changes that have taken place are to be found other characteristics helpful in explaining the developments recorded and the problems discussed in the following chapters. Specialization of operation has engendered specialization of interest on each side. Both workers and employers have found it difficult at times to present a united front; the central labor organization and the federated employers' association have each experienced difficulty in holding their members in line on a labor contract covering the entire market. The relatively narrow craft form of organization, a product in part of the specialization of operation, has made the sympathetic strike one of the chief weapons of the workers—a weapon the abuse of which is always imminent. In the technological evolution of the industry, also, new groups of specialists have emerged to do new kinds of work, and their right to the new work has frequently been challenged by those considering the trade and all its offspring operations their special province. More time has been lost in the Chicago building market because of conflicts between and among the unions as to their respective jurisdictions than because of conflicts between the workers and the employers.

Still another characteristic of the industry is its high degree of seasonality. Only in recent years have any decisive steps toward conquering the weather been taken, and with exception of the workers in a few trades the building industry mechanics may count upon nearly one hundred days of unemployment during a normal year.[4] In part, to be sure, wages have been high enough to afford a form of partial unemployment insurance, although yearly incomes of building-trades workers have not been substantially higher than those of other skilled groups.[5] The seasonality of the industry has had its reflection in the much condemned and often misunderstood working rules and

[4] Employment data are summarized on p. 110.

[5] As discussed below, pp. 110–114.

practices that have grown up, some by written agreement with the employers and some by tacit understanding and unwritten law. In an industry where a great many more men can be used during the spring and summer than throughout the year, the workers have feared to admit too many mechanics into the market; always there have been the dangers that the surplus during a dull season might be used as a wedge against unionism and that entrance of a large number of men into the trade would make impossible, in the long run, the maintenance of a high wage level. In no small part the working rules and practices have been a consequence of the seasonality of the industry.

In view of these characteristics of the industry, it is not surprising that both the position and the psychology of the typical employer differ from those of employers in other lines of business. The contractor's bent is, on the whole, distinctly in the direction of collective dealing and of conciliation with the unions. Whether one of the large "general contractors" or one of the more numerous subcontractors, the employer is generally a man who thinks in terms of collective bargaining. Unionism has been an accomplished fact in the Chicago building market for some fifty years, and perhaps more than half of the subcontractors in Chicago were once building-trades workers. Many of them still carry the union card. Unless too unreasonable demands are made by the workers, the employer is not willing to sacrifice the services of his union workers, more efficient on the whole, he feels, than non-union men; he is not an enthusiastic advocate of the open-shop. It is significant that the only constant and organized pressure for the open-shop has come from outside the industry rather than from within it.

But although the employers think in terms of collective dealing, a certain paradox is to be noted in their attitude. Recognizing the inevitability, and generally from their viewpoint the desirability, of dealing collectively with the workers, the con-

tractors in their relations with one another tend to be pronounced individualists. Holding the contractors together in a strong organization has, in spite of the success of the Building Construction Employers' Association since 1911, been more difficult than the maintenance of a centralized organization on the labor side. It is more difficult to secure unanimity of action regarding a general labor contract for the entire market when many of the employers are subcontractors doing a relatively small business than it is where the employers' side is represented by a few large and responsible firms; the adventures of the Uniform Form of Agreement since 1915 furnish illuminating evidence of the proverbial indifference of some of the subcontractors to a standard contract for the entire industry.

As important as either the "cost-plus" characteristic of the industry or the trade-union background of many of the subcontractors in explaining the willingness of the employers to deal with the unions, however, is the fact that the labor organizations perform the functions of providing the contractor with men when he needs them and of taking them off his hands when a particular piece of work is completed. With the exception of a minority, the employers do not attempt to keep permanent crews of workers adequate to meet their average needs. A constant fluctuation in the number of men needed occurs from week to week, and the union headquarters really acts as an employment bureau for the contractor. When the workers have finished a job for a particular employer, they report back to the business agent and are sent out to some other contractor who has notified the union of his need for craftsmen. This continual fluctuation in the amount of work each employer is doing, a characteristic inherent in contracting, makes the union an almost necessary agency in solving the employment problem of the contractor. The power of the business agent for the union to call men out on strike and the favors he may render the employer in securing

superior craftsmen and in permitting union men to work on non-union materials are still other facts explaining why the employer often finds it desirable to maintain harmonious relations with the labor organizations.

This enumeration of the characteristics of the building industry should suggest why labor organization in the Chicago construction trades has been inevitable and why unionism has taken its particular bent. It also should be suggestive of what have been some of the wastes and abuses that led the arbitrator in 1921 to say that the industry was "diseased." The practices and conditions out of which these wastes and abuses have developed have sometimes been referred to rather loosely as the "building problem." Yet the building problem is, in reality, a composite of problems which, when stated interrogatively, resolve themselves into a series of questions somewhat as follows: What has been the specific character of the industrial relations obtaining in the Chicago building trades? How has each side gone about its attempt to control terms and conditions of employment? Have the workers and employers acted wisely in their organized activity and in their dealings with each other, or have they been foolishly uncompromising in their policy and relatively narrow in their outlook upon their problems and responsibilities? What economic wastes and abuses have accompanied the system of collective dealing? What steps have been taken toward eliminating these wastes and abuses, and what steps can be taken? To what extent are the various counts in the public's case against the industry well taken, and to what extent are they a result of exaggeration, propaganda, and a failure to appreciate the particular conditions under which these workers and employers have been working out their problems? Why is it that the real wastes and abuses one finds in this industry have at times seemed almost inseparable from a system of strong organization on both sides and collective dealing

throughout the market? Has the institution of collective bargaining justified or discredited itself? Can such real abuses and actual wastes as have developed be eliminated without weakening or destroying the organizations upon which the workers rely for the improvement of their living and working conditions? How can the public interest be protected?

A majority of these problems have grown up as by-products of the system of organization and collective dealing that has obtained since the last decade of the nineteenth century. Part I of this volume therefore traces the development of the organizations of each side, points out the issues upon which the workers and employers have clashed and compromised, and attempts to indicate the significance of the mistakes, failures, and successes. A more detailed discussion of the outstanding problems—the jurisdictional disputes, the working rules and practices, the monopolistic combinations, and the graft that sometimes has been prevalent—constitutes the subject matter of Part II. In Part III is treated the series of events that commenced with the Landis arbitration of 1921—an arbitration the background of which was, in large part, the special problems discussed in Part II, and the aftermath of which has been the experiment in intervention by "parties of the third part" that is still in progress.

PART I

THE ORGANIZATION AND ITS DEVELOPMENT

CHAPTER II

EARLY ORGANIZATION AND CONFLICTS

The building-trades workers of Chicago were thoroughly organized and their unions affiliated in a strong central body long before the employers had given thought to the need of concentrated control and unified action in labor matters. The "cost-plus" character of the industry, the desire of contractors doing a national business to conform to the mores of the local market lest a national strike be called on them, and the unparalleled widening of the market for the services of construction craftsmen have been elements of strength peculiar to the building-trades workers of Chicago; and perhaps their unions have been too powerful, at times, for their own good. They have been stronger, in some ways, than their federated organization, the American Federation of Labor;[1] winning their struggles in the early days a trifle too easily, they sometimes have adopted policies of injudicious aggression. Pragmatic in their outlook, concerned almost exclusively with the matters of wages, hours, and conditions, indifferent to the broad programs of social reorganization that have been espoused by other industrial groups, often laboring under the handicap of internal dissension, the building-trades locals of Chicago have been, on the whole, among the most successful of the "business unions" in the United States.

The contractors, on the other hand, tended to be indifferent toward the need of concentrated control until they were obliged to form strong organizations in mutual defense. Employers are always individualistic; unless too great power, dominance, and

[1] For instance, the provisions in the constitution of the 1911–1921 Building Trades Council and several clauses in the Uniform Form of Agreement of 1915 ran counter to the by-laws of the international federation (see. chaps. iv and v).

arrogance are manifested by the organized journeymen, they are likely to feel little concern in the maintenance of a strong labor-opposing association. The fact that in the construction industry increased costs resulting from concessions forced by strongly organized workers, unless too great, can be passed on to the public, combined with the keen competition for contracts, has made the individualism of contractors unusually pronounced. Construction-work employers as a class, also, are not enthusiastic apostles of the open-shop; perhaps in their being a trifle too willing to agree to closed-shop conditions is to be found an explanation of the unfavorable position into which many of the Chicago contractors were forced at the end of the nineteenth century and again at the end of the first decade of the twentieth century. Building-trades employers organize when they must, but after a decisive victory has been won they rapidly lose interest in a superorganization of the various trade associations; they forget that the other party, defeated though he may temporarily be, is still on the job, gradually rebuilding his broken machine and preparing once more to assume the position of dominance; they wait until things have gone too far, and then the fight has to be made over again.

Development of the labor organization.—Sporadic attempts to organize permanent building-trades unions in Chicago were made as far back as the decade preceding the Civil War, but the organizations were not upon a substantial and growing basis until the early eighties. The Journeymen Stone Cutters had a local in Chicago in 1857, but it lived little more than one year.[2] Another, established in 1868, obtained the first eight-hour day granted in Chicago shortly after its organization.[3] In 1858 the first Plumbers' Union was established with a membership of

[2] *Report of Industrial Commission,* XVII, 162.

[3] Interview with Mr. Ed. Shaughnessey, of Bricklayers Local, December 17, 1923.

about thirty, but it was disrupted early in the Civil War, and a new organization did not appear in this trade until some years later.[4] The first local of Bricklayers, established in 1864, never attained enough strength to become a formidable factor in collective bargaining. Another local, established in 1873, was unable to withstand the panic closely following, and the present local of Bricklayers, now having a membership of nearly 6,500, was established in 1879.[5] The first union of Plasterers, formed in 1864, disappeared during the depression of 1870, while another local, established in 1872, died out in the panic of the following year. The existing local—one of the oldest of the present building-trades organizations in Chicago—was established in 1877.[6] Chicago's great building expansion had not then commenced, and almost needless to say such agreements as did obtain were collective, for the most part, on the labor side only.[7] Jurisdictional disputes involving demarcation questions and dual unionism were almost unknown.

In the decade of the eighties, however, the building-trades unions began to be factors to be reckoned with in the Chicago market. The old national organization, the Knights of Labor,

[4] Interview with an officer of the Plumbers' Union, December 6, 1923.

[5] Interview with Mr. Shaughnessey.

[6] Interview with Mr. Michael Brady of Plasterers Local No. 5, December 6, 1923.

[7] The first arbitration agreement on record in the Chicago market was between the Bricklayers and several individual employers (interview with Mr. Shaughnessey). There were, however, general agreements embodying such matters as wages, hours, overtime pay, and due notice of discharge. The late Judge Tuley has been called "the father of the arbitration system" in the building trades. It was a result of his intervention that the strike of the Stone Masons was settled in 1887. A permanent arbitration scheme was then established, Judge Tuley serving as permanent arbitrator for seven years. He was succeeded by the elder Judge Gary and then by Judge Gibbons, each of whom served two years. Judge Hennessey then acted as arbitrator for one year. After Judge Hennessey's resignation, the retention of a permanent arbitrator was abandoned.

handicapped perhaps by its "general uplift" philosophy and its leanings toward the co-operative movement, was succeeded by the American Federation of Labor, standing for business unionism and the autonomy of local bodies. National bodies began to put their finances on a better basis, and the spirit of organization was in the air. Inevitably, the national movement influenced conditions in Chicago. The organization movement was given impetus, also, by the progressive increase in construction work; the increased demand for buildings and homes meant that contractors could pay higher wages and that they would if the workers were strongly enough organized to strike for increases. In 1881 the United Brotherhood of Carpenters and Joiners of America was established, and six years later the United District Council was organized in Chicago with a membership of 5,500.[8] Other internationals were formed during this period, and nearly all of them either established locals in Chicago or absorbed existing unions. The Operative Plasterers' International Association of the United States and Canada first saw the light of day in 1882, the Brotherhood of Painters, Decorators, and Paper Hangers of America in 1887, and the United Association of Plumbers and Steamfitters of the United States and Canada in 1889.[9] Definite codes of working rules were drafted during this period, simple trade agreements began to be

[8] The Carpenters' District Council of Chicago and Vicinity, the central organization of the Carpenters' locals today, is in fact if not in name a continuation of the old United District Council. Since 1920 the Carpenters have not been members of the Building Trades Department of the A. F. of L., owing to the refusal of the Brotherhood to abide by the rules of the National Board of Jurisdictional Awards (see pp. 36–37).

[9] *Report of Industrial Commission,* XVII, 159. Since 1889, however, there has been a division and reunion of the national bodies of Plumbers and Steamfitters. In the early nineteen-hundreds separate internationals were formed, but in 1915 there was a consolidation of the two (interview with Mr. Charles Rau, of the Steamfitters, December 12, 1923). The Chicago locals of Plumbers and Steamfitters have always maintained separate identity. In 1920 there was a merger of the national bodies of the Gasfitters and Steamfitters.

drawn up, and initiation fees and dues were established. By 1887 the initiation fee of the Bricklayers was twenty-five dollars, and for a time transfer cards of members of other locals were not recognized. The initiation fee of the Plumbers during this period, on the other hand, was only fifty cents, and that of the Carpenters five dollars until the early nineties, when it was raised to ten dollars.[10] Pressure from the national organizations at this time was in the direction of higher dues, and a number of the unions introduced sick and death benefit systems. The period was characterized also by a general advance in the wage level, the Bricklayers demanding forty cents an hour in 1883[11] and the Carpenters thirty-five cents in 1887.[12]

The World's Fair of 1893 marked a still more decided turning-point in the history of the Chicago building industry. Erection of the exposition buildings on the South Side brought an unprecedented demand for the services of craftsmen, and almost simultaneously work was commenced on hotels and apartment-houses over the entire city. Taking advantage of their strategic position, the workers in almost every trade formed strong organizations, and by the time of the first big lockout (1900–1901) at least 75 per cent of the building-trades workers were members of the various unions.[13]

On November 22, 1890, the first central organization was

[10] Interview with Mr. Luke Grant, June 16, 1925.

[11] *Report of Industrial Commission,* VIII, 366.

[12] The *Carpenter,* April, 1887. It will be noted that these rates were considerably in advance of the general rate for skilled workers during the eighties.

[13] Veteran building-trades workers, who were active in union affairs during this period, say that the organization was as high as 90 per cent just before the lockout of 1900. Estimates by a number of impartial students of the prolonged dispute of that year give 75–80 per cent as the maximum. Undoubtedly, there was a slump in membership after the World's Fair rush and during the depression of 1893–94, and later an increase in 1897 and 1898. If the building laborers and less completely organized groups are included in one's estimate, probably 80 per cent is a liberal estimate of the extent of organization.

formed when virtually all the unions agreed to be affiliated in a Building Trades Council. The Council was incorporated under the general incorporation law of Illinois on March 14, 1892, its professed purpose being the "constructing of a central organization which shall serve the interests of all labor organizations engaged in the erection or alteration of buildings, of assisting each other when necessary, thereby removing all unjust and injurious competition, and of securing unity of action for mutual protection." For a time the Council and its affiliated Board of Business Agents, unchecked by equally strong organization on the employers' side, dominated both the contractors and the building public.[14] It was often said that the real governing body of the Council was the Board of Business Agents, whose function, according to the constitution of the Council, was "to unite and associate together all the business agents for the purpose of mutual assistance and better to accomplish the work in all parts of Chicago and Cook County," and whose members met three times a week in the historic Briggs House, for years the scene of building-trades conferences, for the purpose of rendering all necessary assistance in enforcement of various trade and working-card rules of the Council. Every sympathetic strike had first to be brought before the Board and sanctioned, although a business agent could call the men in his own trade on strike without consultation with the other agents.[15] The constitution of

[14] In 1900 the following unions were members of the Building Trades Council: Architectural Ironworkers, Bridge and Structural Ironworkers, Bricklayers and Stone Masons, Carpenters, Boiler Makers, Electrical Mechanics, Elevator Constructors, Gasfitters, Hoisting Engineers, Lathers, Marble Cutters, Marble Cutters' Helpers, Mosaic Glass Workers, Painters, Plasterers, Steamfitters, Junior Steamfitters, Slate and Tile Roofers, Stone Cutters, Stone Derrickmen, Stone Sawyers and Rubbers, Italian and Mosaic Workers, Mosaic and Encaustic Tile Layers, Mosaic Helpers, Stone Carvers, and Tunnel Miners—thirty-two unions with a membership in excess of 30,000.

[15] Art. 13 of constitution of old Building Trades Council. But it should be noted that no referendum vote of the total membership was provided for in the

the Council specified that when trouble occurred on any building or job, affecting any trade represented in the Council, it should be the duty of the business agent immediately to endeavor to settle the same with the contractor or his agent in accordance with the trade rules and to the satisfaction of the trade involved. Failing in this, the business agent had power to call a strike only after he had laid the matter before the Board of Business Agents at their next meeting, and their action was equally binding upon members of all unions affiliated with the Council and engaged on the job or building. The Council as a body made no agreements with the employers, as an entity it employed no business agents, and its professed policy was that of avoiding all dictation as to agreements affiliated unions might make.[16] No secret was made of the fact, however, that strong pressure was brought upon member unions to submit all their agreements to the Council for approval, even though they were in conformity with all limitations, rules, and conditions imposed by the constitution. If agreements were not approved by the Council by a two-thirds vote of the trades, unit rule of voting obtaining, the unions concerned were at liberty to maintain them by their own force, but they would not be sustained by the Building Trades Council.[17]

Abuses of union strength.—With such concentrated power, it is not surprising that the unions began to resort to practices which the contractors characterized as those of "increasing unreasonableness and injustice." If throughout industry in gen-

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case of a sympathetic strike—also that there were innumerable situations in which a fine line might have to be drawn between the members of the Board meeting as individuals and each agreeing to call his men off a job and the Board meeting as an executive branch of the Council.

[16] Testimony of Edward Carroll, president, before the Industrial Commission (*Final Report and Testimony,* VII, 216).

[17] Testimony of Frank M. Ryan, of Bridge and Structural Ironworkers (*Report of Industrial Commission,* VII, 282).

eral strong organization and centralized control on the labor side, when not offset by equal strength on the employers' side, are likely to result in abuses, the danger is even greater in that branch of industry concerned with the erection and alteration of buildings. The prevalence of the craft form of organization in the building trades gives more opportunity for jurisdictional and sympathetic strikes, probably, than in any other industry. Some of the crafts—those of the Electricians, the Carpenters, and the Sheet Metal Workers, for example—extend over into other industries, and the result is a tendency toward wide variation among agreements in the various trades and an extreme difficulty in securing uniformity of contract. These facts, together with the tremendous and unchallenged strength of the unions, explain in part the orgy of union abuses during the nineties. Graft became common, and the contractors often said that the power of the Board of Business Agents to call sympathetic strikes without a referendum vote of the membership of the unions involved left the employer no alternative but to acquiesce in the demands for "strike insurance" payments.[18] Some of the unions had no great respect for trade agreements, and often labor contracts were prepared by a committee of the union and handed to the employer with the request that he sign, as he generally found it expedient to do. Restrictions on the amount of work a man might do during a day were imposed by the Plumbers, Steamfitters, Plasterers, and Lathers. Use of certain machinery was prohibited by union edict in a number of the stronger trades. The unions insisted that foremen be members of the labor organization and give such a large portion of their working time to supervision of union interests on the job that they practically ceased to be agents of the employer. "Make work" rules became common.

[18] The problem of graft in the Chicago building trades is discussed in chap. xi.

In no small part the power, dominance, and abuses of the unions during this period were a result of their leadership. Martin B. ("Skinny") Madden, president, treasurer, and business agent for the Steamfitters' Helpers, was the power behind the throne in the old Building Trades Council just before the lockout of 1900. Skinny was a terror. Elected to the three most important positions in his own union for life, he dominated every action of the Board of Business Agents. To the public, which must always associate events and circumstances attracting its attention with some personality, Madden became—perhaps not altogether justly and not altogether unjustly—a devil incarnate; he was the personification of graft, violence, and intimidation. Still a young man, possessed of a pleasing personality, adroit as a labor politician, uncanny in his methods of removing from the game anyone who happened to cross him, lacking any very penetrating grasp of the forces at work in American industrial life, indifferent to the need of permanent contractual relations, proud of the fact that "his word was as good as his bond," Skinny Madden dominated the building trades in a manner that no leader has since been able to emulate. To Madden's bizarre but shortsighted leadership can be attributed, in part, the rapidity with which the unions became intoxicated with their own power.

On the employers' side also, however, certain conditions were conducive to abuses. Although the contractors lacked any centralized control in dealing with labor matters, associations had been started in a number of the trades; and it sometimes was said that these associations were more interested in agreements with unions whereby they were enabled to control prices and limit supply than in contracts concerning wages, hours, and conditions. Exclusive alliances between particular unions and employers emerged, by which the unions, in return for the exclusive employment of union men, agreed not to allow their members to work for contractors not members of the particular

associations.[19] The exclusive agreement system—sometimes by written contract and sometimes by oral understanding—has continued to the present time. In a number of the trades contracts between contractors and unions (perhaps encouraged by the materials dealers) provided for a complete exclusion of materials manufactured outside the city. During 1897, 1898, and 1899 such agreements obtained in the carpentering, bricklaying, steamfitting, plumbing, and painting trades. The materials men—manufacturers and mill-owners—had agreements with both the unions and contractors, those with the former providing that the unions would not furnish men on jobs involving work on out-of-town materials and those with the latter specifying that contractors were to buy their materials only of firms in the combination and in return were to receive lower prices. When the lockout of 1900 occurred these materials dealers were in an anomalous position; they could not keep the agreements with the unions without violating those with the contractors. Finally, as might have been expected, they threw their strength to the side of the employers.

Development of the employers' organization.—Until late in the last decade of the nineteenth century, the employers were indifferent toward their lack of centralized control. They watched with tranquillity the emergence of the powerful Building Trades Council and its Board of Business Agents; instead of forming an organization that could demand an equal voice in the settlement of wages, hours, and conditions, they turned their attention to the exclusive agreements, to the various combinations for monopoly control. It was not until conditions forced by the unions brought many of them to the verge of bankruptcy that the contractors formed a powerful organization, and challenged the dominance of the Building Trades Council.

[19] The various devices through which "artificial control" has been brought about are discussed in chap. x.

Prior to 1899 there was no central organization of contractors in Chicago, nor, indeed, in any city in the United States.[20] Trade associations had sprung up, to be sure, one of the first being the Carpenter Contractors' Council, formed in 1884.[21] Associations were established, also, by the Masons and Builders, Cut Stone Contractors, Master Steamfitters, Marble and Tile Dealers, Master Painters, Elevator Builders, Master Plumbers, and Sheet Metal Contractors.[22] But the employers were handicapped by the looseness and lack of uniformity that characterized their dealings with the organized journeymen.

The first central organization was a result of informal development rather than of any definitely preconceived plan—at least so far as the majority of the contractors were concerned. The employers acted in concert but without formal organization in deciding the wage scales of 1894. The habit of informal conference developed, and resulted in 1899 in the formation of a Building Employers' Conference Committee. Out of this committee there was formed, in September of that year, the Building Contractors' Council, an organization representing more than 80 per cent of the contractors in Chicago.[23]

[20] The Building Contractors' Council, formed in 1899, was the first organization of exclusively contractor units in the United States (see E. M. Craig, *American Contractor,* January 6, 1923).

[21] Interview with Mr. Cohlgraf, now secretary of the Associated Builders of Chicago, November 13, 1925. The Carpenter Contractors' Council was dissolved when the Associated Builders was formed as a rival of the B.C.E.A. in 1920.

[22] E. M. Craig, *op. cit.,* January 13, 1924.

[23] It is interesting to note that this is a larger proportion of the Chicago contractors than is today included in either of the major employers' associations, although the combined membership of the B.C.E.A. and the Associated Builders includes a little more than 80 per cent of all contractors doing business in the city. In 1900 the Building Contractors' Council included in its membership the Chicago Masons and Builders Association, the Master Carpenters' Association, the Cut Stone Contractors' Association, the Mantel and Tile Dealers' Association, the Master Painters' Association, the Building Elevators Association, the Carpenters

When they were awakened to the need of concerted action to offset the power on the other side, the contractors placed no limits upon the right of their central organization to represent them in labor matters. The Building Contractors' Council had full power to take any action which "might be for the best interests of any association allied with the Council," and when conditions demanded a lockout one might be called by the Council without a referendum vote of the membership.[24] No member was to tolerate the sympathetic strike,[25] and all were bound to support eight cardinal principles—principles enunciated by the contractors for the first time in the autumn of 1899 and some sixteen years later made the basis of a uniform agreement drafted to cover the entire Chicago market.

Relations before the first big lockout.—During the period when the unions were powerful and united and the contractors' associations lacked affiliation and were individually weak, there was, naturally, no uniformity among agreements in the various trades, nor was there any general system of conciliation or arbitration.[26] The sympathetic strike had been outlawed in only a few of the contracts, and the unions came more and more to re-

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and Builders Association, the Master Plumbers' Association, the Sheet Metal Contractors' Association, the Employing Plasterers' Association, and a number of general contractors. Mr. Craig has graphically described the formation of the Council as follows: "A strong bond of sympathy began weaving its web . . . . culminating in a spirit like unto that which was inculcated in the hearts and minds of those who more than a century ago participated in the celebrated Boston Tea Party. . . . . The fire had been kindled, and it required only a little fanning to make it blaze and burn itself into the hearts of those contractors. . . . . Civic pride and conscience had been awakened and the red blood of American citizenship began to assert itself" (*American Contractor,* January 6, 1923).

[24] Constitution, Rule VII, Sec. 1.

[25] *Ibid.,* Sec. 2.

[26] For a time during the eighties several federal judges were retained as permanent arbitrators by the Bricklayers and Masons and Builders. This is the only case of anything savoring of compulsory arbitration before 1900.

pudiate these contracts when they wished. Many of the contractors found themselves on the verge of bankruptcy; and their first central organization was formed simply because they came to realize that they must act in concert if they were not to be driven from business. On November 17, 1899, the Building Contractors' Council issued an ultimatum to the Building Trades Council; and out of the conflict to establish the principles enunciated in this ultimatum came the first agreements specifying with any definiteness the rights of each party in everyday contractual relations.

Ordinarily human beings do not contend for a "principle" merely because the principle is an empirically beautiful thing, but because the principle, if its application can be brought about, will be the means of gaining certain concrete things; and the building contractors of 1899 were no exception. The principles of the November manifesto were simply generalized statements developing out of the grievances they had been suffering. In the future there must be no limitation on the amount of work a man could do during a day, they said, nor was there to be any restriction on the use of tools and machinery. No person, business agent or other, was to have the right to interfere with workmen during working hours. No material was to be boycotted by a union for any reason other than that it was prison-made. Unions must agree to abandon resort to the sympathetic strike, and in the future they could not prohibit the use of apprentices.[27] While the contractors were willing that members of the unions should work for contractors not members of the Building Contractors' Council, they declared in their ultimatum that the unions must agree that their members would demand and receive in all cases the rates of wages agreed upon between unions and contractors. The foreman in the future was to be the agent of the contractor. It

[27] The problems of prohibition of apprentices, limitation of numbers, and restrictions upon what they may do are discussed in chap. ix.

was the attempt to enforce these principles that precipitated the first and most prolonged lockout in the history of the Chicago building trades.

Had the unions accepted a proposed compromise in 1900, one setting up a machinery for the settlement of disputes in all the building trades of the city, much of the history between 1900 and 1911 might have been different. The suggested compromise, rejected by the powerful Building Trades Council, involved as much in the way of concession to the unions as has been given under the document promulgated by the Joint Conference Board in 1915 and ratified by both contractors and workers, with some modifications, for the periods 1915–18, 1918–21, 1921–23, 1923–26, and 1926–29;[28] and as the most liberal offer made to the unions as a whole it is worthy of some mention. Martin B. Madden,[29] then a materials dealer and later a Congressman, was the author of the proposed compromise. It would have set up arbitration boards within the various trades upon practically the same basis as that upon which they are now established. All agreements in particular trades were to be submitted to a central board for approval. In the event of failure to settle a dispute in a trade arbitration board, the matter would go to the central body representing the Building Trades Council and the Building Contractors' Council. Any objection by a union to the introduction of new machinery was to be settled, if possible, by the employers' association and union in the particular trade, with either party having the right of appeal to the final board of arbitration. Cut and sawed stone, granite, exterior marble work, common brick, and wood mill-work were to be excepted from the general prohibition against exclusion of non-union materials. The number of men they would employ was to be optional with the con-

[28] See chap. vi.

[29] Who must not, of course, be confused with Skinny Madden, of the Building Trades Council, whose name also happened to be Martin B.

tractors. Members of the employers' associations affiliated with the Building Contractors' Council were to receive in all ways as favorable treatment by the Building Trades Council and its affiliated unions as any contractors who were not members. Perhaps the greatest concession to the unions came in the provision that as long as the contract was faithfully kept by the Building Trades Council and its affiliated unions, the members of the Building Contractors' Council would employ none but workers carrying Building Trades Council cards except where it might be otherwise agreed upon in the future by the joint arbitration committee in the trade involved.[30]

The foregoing agreement, although it never existed except as a proposal, is not without its significance. Under its provisions the unions would have surrendered many of the rules that had profited them greatly; but there was an equally great modification in the demands of the contractors' ultimatum. The unions, which had been strongly organized during the decade of the nineties and felt themselves able to resist even the concessions they would have been forced to make under this agreement, refused to accept the proposed compromise. To the contractors, on the other hand, concentrated strength was a rather new thing. They were not confident of their ability to obtain more by a prolonged lockout than was offered in the Madden compromise, and accordingly they ratified immediately. As events proved, the contractors were able to enforce terms and conditions even more favorable from their viewpoint after the lockout; they were able to dictate contracts in 1901 under the terms of their original demands and to insist upon the dissolution of the Building Trades Council.

[30] It is worth noting that this provision involved greater concession to the unions than does the present Uniform Form of Agreement, which makes the issuance of permits by the unions compulsory when union men cannot be secured. See chap. vi.

The lockout of 1900–1901.—When the Building Trades Council refused to accept the principles of the November manifesto and rejected the proposed Madden compromise, a lockout was declared, effective February 5, 1900, and by February 10 all building operations in Chicago were suspended. Between 50,000 and 60,000 workers were thrown out of work, more than 2,000 contractors were directly affected, several hundred materials dealers had to close down their shops, the workers lost an estimated $16,000,000 in wages and the contractors between $5,000,000 and $8,000,000 of profits in building work, 5 of the 150 assaults were fatal, the Contractors' Council spent some $46,000, while the Building Trades Council spent its entire funds on hand, levied all it could on the member unions, and finally was forced to dissolve.

The issue of the struggle was clear before the lockout was many weeks old. Although the contractors' demands had been incorporated in the eight "cardinal principles" of the November ultimatum, their real objective was the dissolution of the Building Trades Council; it is clear today—if it was not then—that something more than an informal agreement existed among those in control of the Building Contractors' Council that they would continue the lockout until the Madden Council and the Board of Business Agents had been dissolved. It is not improbable that the contractors, when they accepted the proposed compromise of Congressman Madden, were certain that the Building Trades Council would not take like action. Yet the first big struggle for the establishment of the eight "cardinal principles" which, however much they may have been disregarded in practice at times, have constituted a working basis for industrial relations in the Chicago building trades since 1900, was engineered by a minority. The Building Contractors' Council was not representative of nearly all the general contractors and subcontractors at that time, and there was more dissension within the ranks of the organiza-

tion than was generally realized for a long time after the struggle. But, on the other hand, the minority seeking to force recognition of its principles and the dissolution of the Building Trades Council had the support of the materials men, the architects, and most of the Chicago bankers.

Some of the incidents of the struggle are not without their significance. Charges and countercharges of "crooked politics" were made throughout 1900, the contractors frequently saying that the Chicago police were lax in furnishing protection to non-union workers and that the mayor's course of action was determined more by the approaching municipal election than by anything else. Some plausibility was lent this charge when the mayor appointed Edward Carroll, president of the Building Trades Council and generally recognized as Skinny Madden's mouthpiece, as president of the Chicago Civil Service Board. This action definitely aligned the city administration with one side of the controversy and took away the prestige the mayor would have had as an arbitrator. Incidentally, it brought opposition to the mayor from most of the bankers. One contractor testified before the Industrial Commission in 1901 that the city authorities, having occasion to borrow money temporarily, applied for a loan from the banks. The reply was that the credit of the city was in the hands of its administration, and that the banks could not advance money unless Mr. Carroll were removed from the Civil Service Board.

Fighting a losing fight, Skinny Madden displayed his tactics par excellence. Through his puppet, President Carroll, he bluffed and higgled; he continually made the contractors think that a "coast-to-coast" strike was going to be called at eight the following morning; and he caused the job of strike-breaker to be unattractive to anyone solicitous of his health. If Madden had possessed a little broader viewpoint, if he had been pragmatic enough to realize that half a loaf is better than no bread, he

might not have lost one of the most bitter labor struggles in the history of Chicago and died a defeated leader. His lack of foresight was manifested when he refused to consider the compromise agreement proposed by Congressman Madden, although he might have realized that the contractors, with the support of the banks, architects, materials dealers, and a majority of the public, were in a position to fight until they had established rules curtailing the power of the unions for years. Probably almost any of the outstanding leaders since Skinny's day—John Metz, or Simon O'Donnell, or Peter Shaughnessey, or Charles Rau, or James Conroy, or Tom Kearney, or even Michael Boyle—would have taken the half-loaf and then tried gradually to regain the power lost in a compromise agreement. But Skinny was not a pragmatist. He turned down the compromise settlement, fought on until the most important unions had been forced to desert his Council, and finally found himself shorn of as great power, perhaps, as any building-trades leader ever possessed.

The employers were under the generalship of a man more skilful and equally determined, if not so picturesque. William D. ("Billy") O'Brien, head of the Contractors' Council, had been an employer of union labor for years, but he was one of the instigators of the employers' movement of protest which culminated in the November manifesto and the subsequent lockout. Mr. O'Brien was typical of the rugged, "self-made" business man—a type that, for some reason, seems to be more common in the construction industry than in most lines of business. His likes were as strong as his dislikes were bitter, but he was surrounded by a "cabinet" whose members were less impulsive than their leader. They were more temperate in their utterances and more governed by expediency than were the unions under the leadership of Skinny. As a result, the policy of the employers was, on the whole, wiser than that of the organized workers. They took into account the effect of their actions on public opinion;

they adjusted their tactics to the exigencies of particular situations that arose from week to week. Employers as a class are always more impersonal, less tempestuous, than the workers during a labor struggle; while in the long run the services of the workers may be as important to the employer as the job is to the workers, a cessation of business is not to the employer so much a matter of daily bread and butter. When all other factors that entered into the 1900 embroilment have been weighed, perhaps the superior "waiting power" of the employers was the deciding element.

Futile attempts at mediation were made at various times during the lockout by the mayor, Professor Graham Taylor, Architect Henry Ives Cobb, the State Board of Arbitration, the Real Estate Board of Chicago, H. H. Kohlsaat of the *Times-Herald,* Mark Hanna, the international officers of the unions involved, Mr. Gompers, and the Civic Federation of Chicago. But this dispute was one of those beyond the scope of arbitration. Where the issues are wages, hours, or conditions, it is generally possible to effect a compromise after both sides have found that a prolonged struggle would be more costly than the sacrifices involved in a compromise. Such a compromise rarely can be effected, however, where the issue is the existence of an organization or the establishment of certain principles and rules for which one side is determined to fight.

The final defeat of the unions was in sight by midsummer of 1900, although the lockout dragged on until April of the following year. On June 26 the Bricklayers and Stone Masons met in conference with the Masons and Builders and agreed to the contractors' terms. The Plasterers voted Mr. Carroll out of office in his own union and accepted the contractors' terms shortly thereafter. In October, when the Hoisting Engineers and Carpenters withdrew from the Building Trades Council and signed separate agreements incorporating the contractors' principles

and rules, the strength of the central organization gave way and the lockout virtually ended. By April, 1901, the contractors were able to dictate agreements with all the unions, incorporating the "cardinal principles" and pledging the unions not to become members of any Building Trades Council. The closed shop remained in a majority of the trades, but the objectionable rules were, for a time, eliminated. Not even during the turmoil which followed the arbitration proceedings of 1921 was the labor organization so badly shattered as it was after the first big lockout.

CHAPTER III

DECENTRALIZATION AND REBUILDING

The first decade of the twentieth century, which opened with the employers in control, ended in a chaos not unlike that of the days just preceding the big lockout. Abuses were as prevalent in 1910 as they had been in 1898 and 1899; but the situation differed in that both sides were decentralized by 1910, while one side had been strongly organized and the other without a vestige of centralized control in 1898. And just as the decade of the nineties showed how unsatisfactory industrial relations are likely to become—in the construction industry at least—when one side possesses strong central organization and quick unity of action and the other does not, so the experiences of the following ten years indicated that a situation where neither is represented by a strong central organization is equally undesirable.

The traditional indifference of contractors to the need of organization on their part when there is no immediate danger of union domination was evidenced by the disintegration of the Building Contractors' Council after its initial victory. Members became indifferent, many of them stopped paying dues, and for a time the office rent and salary of the secretary-manager were paid out of private donations. From 1902 to 1911 the contractors gradually lost control of the terms and conditions under which their employees should work; as one contractor put it in 1914:

> At that time [1901] the building industry got peace and harmony, and this state of affairs continued for several years. In the meantime the Contractors' Council was not so effective because they [the contractors] thought

that peace and harmony would continue to reign. But during the time organized labor again became strong, and when they began to feel their strength—why then strikes and depredations came up. In 1911 the contractors got together and formed the organization that exists today.[1]

By the end of 1902 the books of the Building Contractors' Council showed a membership of seventeen trade associations representing 1,066 individual members, but many of them had ceased to pay dues.[2] One of the chief weaknesses of the old Council, demonstrated during this period, was that no provision was made in the constitution for the payment of dues on the basis of the amount of work done annually. Nor was there any effective means of bringing pressure upon members who refused to pay assessments or to accept the decisions of the majority in regard to matters of labor policy.

As the Contractors' Council gradually disintegrated, the unions began to regain a little of their lost strength, although it was not until 1911 that they all were again united in a strong central organization. In spite of the fact that the two-year agreements with the unions, signed in 1901, provided that there should be no membership in the Building Trades Council or any similar body, Skinny Madden was not slow in organizing, *sub rosa,* an Advisory Board, which a little later was supplemented by a for-

[1] Testimony of Charles Gindele, *Final Report and Testimony of Commission on Industrial Relations,* IV, 3336. The new organization to which reference is made is the present Building Construction Employers' Association.

[2] In 1902 the Council consisted of the following associations, with the membership of each: Architectural Iron League, 23; Building Elevator Employers' Association, 7; Carpenters and Builders Association, 178; Cut Stone Contractors' Association, 28; Electrical Contractors Association, 10; Fire Roofers Association, 4; Masons and Builders Association, 16; Master Carpenters Association, 76; Master Painters Association, 16; Mantel and Tile Dealers Association, 17; Marble Dealers Association, 7; Mosaic Dealers Association, 3; Sheet Metal Contractors Association, 23; and the remainder general contractors (see E. M. Craig, *American Contractor,* June 23, 1923).

mal Board of Business Agents.[3] Following the organization of the Board of Business Agents, a number of unions openly affiliated with a new body, the Associated Building Trades League of Chicago. For a time the Board of Business Agents and the Associated League were rivals, but Skinny Madden apparently decided that for the time being a policy of "boring from within" constituted the better part of valor. He therefore gained control of the Associated League, which he dominated up to the time of his death. But when tuberculosis finally ended the career of this picaresque knight-errant of all kinds of special privileges for business agents, the Associated League had begun to disintegrate and a new group, headed by Jim Garvin, Tom Kearney, and Simon O'Donnell, business agents for the Plumbers on the West, South, and North sides, respectively, was the controlling factor. The new group was nominally associated with the Madden organization but was "against the government"; and finally it obtained control of the new Chicago branch council of the National Building Trades Department, with which all the construction locals united in 1911. Neither the Associated League faction nor the O'Donnell-Kearney group (really affiliated with the Associated League) represented all the unions at any time prior to 1911, however, and with the Contractors' Council rapidly going to pieces the period was one of decentralization on each side and increasing instability of contractual relations.

Industrial relations during the period.—Although the unions only gradually regained the ground they had lost in 1900, and were unable to call any prolonged strikes, the contractors were complaining of violation and repudiation of agreements as early as the end of 1902, while jurisdictional disputes were becoming a common occurrence.[4] New agreements were entered into in

[3] In fact, the new Advisory Board was organized secretly before the lockout ended according to the statement made in an interview by one of Madden's old lieutenants.

[4] The problem of jurisdictional disputes is discussed in chap. viii.

1903, all of them embodying the "cardinal principles" which the contractors had enunciated in 1900 and a majority containing a scheme of arbitration within the individual trades. Wages ranged from 52½ to 56 cents an hour for the skilled trades, generally with double pay for overtime work. The agreements were made by the contractors or trade associations of contractors (not by the Building Contractors' Council) with individual unions, which were not allowed to submit them to the Associated League or Board of Business Agents for approval. And it is altogether likely that there was comparatively little secret submission of agreements to either body; the unions were still too demoralized after the defeat of 1900 to risk another general lockout. The 1903–6 agreements provided that there should be no interference with workmen during working hours, allowed double pay for overtime in a majority of the trades, and specified that no journeyman was to leave work because a non-union man or non-union men were employed on the same building or job. In a number of cases the contractors insured themselves against their competitors' being able to get men at lower rates during slack periods by such provisions as: "Party of the second part agrees that during the life of this agreement no member of its organization shall work for any persons not parties to this agreement for any sum per day less than that stipulated in this agreement." Although the use of apprentices was "not prohibited," only one apprentice was allowed on a job or in a shop in a number of trades. Some form of arbitration was provided for in practically every trade, the following clause being common in the agreements:

Each party to this agreement shall elect an arbitration committee of five members each, and said committees shall together constitute an Arbitration Board. No strikes, lockouts, or stoppages of work shall be resorted to pending the decisions of the Joint Arbitration Board. When a dispute arises, questions in issue shall be submitted in writing to the presidents of the two organizations or their representatives, and upon their failure to meet and

agree, it shall be submitted to the joint arbitration board at their next meeting. If the Joint Arbitration Board is not able to agree within twenty-four hours, an umpire shall be selected and requested to make a decision. His decision shall be final and binding. The umpire shall in no way be connected with the building industry or an incumbent of a political office.

Allusion has already been made to the increase in the number of jurisdictional disputes. In 1903 the Plumbers and the Steamfitters clashed a number of times over the question of trade demarcation. The following year the Sheet Metal Workers, who always had objected (and still do object) to the third cardinal principle, prohibiting any refusal to work on non-union materials, took issue with the contractors on this point and called a strike on the Western Electric building. The trouble dragged along for several weeks, the Sheet Metal Workers apparently having at least the silent support of their own contractors.[5] When several unions went out in sympathy the Building Contractors' Council threatened a general lockout, and the workers on sympathetic strike returned to work. Troubles between the Plumbers and the Steamfitters continued throughout 1905, and in the autumn of that year the contractors addressed a letter to the Associated League demanding that the Plumbers return to the jobs which they had struck. The Plumbers returned in this case, but the need of some permanent machinery for the adjustment of jurisdictional disputes was becoming more evident. In 1906 the Stone Cutters at work on the Borland building struck because non-union men of another trade were working on the same job. The strike violated their agreement, and the contractors secured an injunction. Violations of the cardinal principles became so frequent, however, that the Contractors' Council felt called upon that year formally to restate them.

[5] The sheet-metal contractors have always been prone to encourage the union in its demand that non-union materials be excluded from the Chicago market, and have been one of the most difficult of the contractor groups for the B.C.E.A. to handle (see pp. 98–99).

The Associated League, which had been gradually increasing its power in spite of the opposition to its leadership on the part of the Plumbers and others and the fact that it did not include nearly all the unions, was stronger in 1907 than at any other time. Contractors, who had believed that the fight was won for all time in 1900 and that they need not support their central organization longer, began to complain more frequently that strikes were being called in violation of the agreements. The "cardinal principles," still incorporated in most of the agreements, were ignored in almost every trade. Both the Carpenters and the Sheet Metal Workers insisted upon ignoring the third cardinal principle, which prohibited refusal to work on non-union materials. More "graft money" was paid during 1907, probably, than at any time since the dark ages before 1899. Stoppages occurred continually because of disputes between the locals of the Brotherhood of Carpenters and Joiners and the local of the rival Amalgamated Carpenters.[6] The Bricklayers and the Building Laborers went on strike in April of 1907 because their contractors had refused to change pay-day from Tuesday to Saturday. The Bricklayers won the Saturday pay-day, and this was the last struggle over that minor issue. More than one hundred jurisdictional disputes were handled by the Building Contractors' Council in 1908, the Carpenters, Bricklayers, Stone Cutters, Sheet Metal Workers, Plumbers, Steamfitters, Hoisting Engineers, and Structural Ironworkers being the groups involved. A conflict over the installation of elevators, involving the Elevator Constructors, Steamfitters, Machinists, Electricians, and Carpenters, tied up construction of every elevator in Chicago in 1909, a temporary settlement of the jurisdictional questions involved being made after the intervention of the Building Contractors' Council. In 1910 the Structural Ironworkers and the Building Laborers were at swords' points over

[6] The local bodies were amalgamated in 1909, however.

the question of who had the right to place reinforcing rods in concrete construction.

Rehabilitation of the labor organization.—The account of the chaotic state into which industrial relations were falling as the decade progressed anticipates somewhat, however, the story of the gradual rebuilding of the labor organization. Feeling secure in the victory they had won in 1900 and satisfied with the agreements made in 1901 and 1903, a majority of the contractors watched the emergence of the Associated League with indifference if not with complete tranquillity. Charles Rau, now business agent for the Steamfitters, was the first president of this organization, his successive elections coming in 1904, 1905, and 1906. Madden himself assumed the presidency from 1906 to 1909, while Peter Shaughnessey, of the Bricklayers, who was elected president in 1909, served until the amalgamation in 1911 of all the union factions in a new Building Trades Council.[7] Meanwhile, the Building Trades Department of the American Federation of Labor had been organized (February 10, 1908), and the Chicago branch came under the control of the then conservative Carpenters, although it was not recognized by the Associated League and had opposition from the "middle-of-the-road" faction, led by Simon O'Donnell, Tom Kearney, J. J. Conroy, and Jim Garvin, which was technically affiliated with it. John Metz, head of the Carpenters' District Council, was elected president of the Building Trades Council (the branch of the American Federation of Labor Department) in 1909—the same year that Mr. Shaughnessey, who favored consolidation, was elected head of the Associated League, and he served until Mr. O'Donnell was elected in 1911.

In large part the story of the conflicting factions on the labor side and of the emergence in 1911 of a Building Trades Council

[7] Interviews with Messrs. J. J. Conroy, Mike Artery, Charles Rau, Ed Ryan, and others.

representing all groups is one of personal leadership. As head of the Associated League, Skinny Madden tried desperately to come back; apparently he never fully realized how much his prestige had been shattered by the catastrophe of 1900. But he was unable to command the support of either the conservatives under the leadership of John Metz or the new middle-of-the-road faction headed by Simon O'Donnell. As events pointed toward an eventual amalgamation under leadership more conservative, less lawless, than that of Madden, Skinny began to turn his attention more and more to the "strike-insurance" phase of industrial relations in the Chicago building trades, and finally he became the man whom the states attorney openly set out "to get." Skinny was convicted but never sent to jail.

Another force working toward amalgamation on the labor side was the fact that some of the men associated with Madden in the Associated League were of a different school of thought. Charles Rau and Peter Shaughnessey, both of whom served as president, probably were more in sympathy with the middle-of-the-road faction, then under the leadership of the officers of the Plumbers' Union. Both Mr. Rau and Mr. Shaughnessey were then, and always have been, in favor of stable contractual relations, and the hold of neither upon the rank and file of his membership has been questioned for nearly a quarter of a century.[8] Also, Skinny's hold upon the Associated League group was weakened by his failing health. He had always been consumptive, and by 1910 it was evident that Skinny Madden would not live more than a year or two. Those who were not bound to him by strong ties of personal loyalty began to seek an opportunity to cast their lots with leaders promising more in the way of future rewards in the domain of labor politics. As long as Skinny was able to be out of doors, however, he met the few remaining faith-

[8] For instance, the way both held their unions to at least a nominal observance of the Landis award during and after 1921 (see chap. xiii).

ful in the old Powers saloon, and up to the month of his death he directed strikes from his bed in the Grand Pacific Hotel, where he and his wife lived in comparative poverty.[9]

"Business unionism" is the term that best describes the middle-of-the-road faction; in fact, this group had no very fundamental quarrel with the conservatives under the leadership of John Metz, of the Carpenters. At times the conservatives and middle-of-the-roaders virtually merged into one faction, and they were united to all practical intents and purposes by the time of the general amalgamation in 1911. Both the middle-of-the-road and the conservative factions saw that the guerilla unionism of Skinny Madden would eventually react to the injury of the rank and file of the workers so far as the basic matters of wages, hours, and conditions were concerned, and the only real issue between them was as to which faction should control. Simon O'Donnell, leader of the "middlers," differed from Skinny Madden as much as any two leaders could differ. There was not—and never has been—anything spectacular about Mr. O'Donnell. He had none of the faculty that Skinny possessed—whether he was conscious of it or not—of appealing to the imagination of both his followers and the public. Mr. O'Donnell has always been a typical representative of "business unionism"—

[9] During the period when the Associated League's domination was being challenged by the middle-of-the-road faction and the conservatives under the leadership of the Carpenters (really two wings of one main faction) its membership was constantly changing, but for a time it included nominally all important unions except the Carpenters and Painters. Some, like the Plumbers under the leadership of Mr. O'Donnell, were really in opposition to the League in spite of their nominal membership. The trades signing agreements in 1908, with their approximate memberships, were as follows: Hod Carriers and Laborers, 8,000; Carpenters, 10,000; Bricklayers, 3,700; Plumbers, 1,200; Structural Ironworkers, 800; Sheet Metal Workers, 500; Electricians, 500; Journeymen Steamfitters, 400; Architectural Ironworkers, 300; Stone Cutters, 300; Stone Planer Men, 300; Gasfitters, 200; and Hoisting Engineers, 200. The trades not signing included the Painters and Plasterers and had a combined membership of about 9,000 (see Mr. Craig, *op. cit.*, July 14, 1923).

cautious, a trifle phlegmatic, entirely reconciled to the belief that organized workers can never appropriate the entire product of industry, and therefore unwilling to sacrifice an iota of immediate gain in the hope of some day obtaining the pot of gold at the end of the rainbow. Elected business agent for the Plumbers on the North Side shortly after the lockout of 1900, his influence began to extend to the other trades in 1903 when he, Ed. Ryan, Tom Kearney, and J. J. Conroy broke away from the Associated League, which had just come under the control of Madden, organized the middle-of-the-road faction, and claimed that they were the real representatives of organized labor in the Chicago building trades. The men with whom Mr. O'Donnell was associated were conservatives and advocates of permanent contractual relations,[10] and the gradual merging of this group with the conservatives who had obtained control of the Chicago branch of the National Building Trades Department after 1908 facilitated the movement to bring all unions into a single council.

For a time, however, the movement toward amalgamation was retarded by the establishment of the National Building Trades Department.[11] Determined to have uniformity of organization, the Department adopted a constitution and by-laws to govern all city central bodies, some of the provisions of which

[10] Mr. Kearney, a man of less conservative temperament than either Mr. O'Donnell or Mr. Ryan, was president of the Building Trades Council from the time of Mr. O'Donnell's resignation in 1920 to the winter of 1922, and Mr. Ryan from October, 1922, to the autumn of 1924. During the period between the Kearney and Ryan administrations in 1922, William Curran, of the Plumbers, and Fred Mader, of the Fixture Hangers, served short terms as president. The present head of the Building Trades Council is Patrick Sullivan, of Electrical Workers No. 134, who succeeded Mr. Ryan in 1924. Mr. Conroy has been secretary since 1913.

[11] The Building Trades Department of the A. F. of L. was organized February 10, 1908, as a result of action taken at the Norfolk Convention of the A. F. of L. the previous year. Prior to 1907 two unsuccessful attempts to unite all the building-trades unions in a national body had been made.

were unsatisfactory to both the local unions and the Chicago contractors. It declared that

> no local Council chartered by the Building Trades Department shall enter into any agreement with a contractors' or employers' association that . . . . requires members of affiliated unions to work with non-union men or forbids the sympathetic strike; nor shall a local Council of the Building Trades Department enter into any agreement with an association of employers unless such agreement has been submitted to and approved by the membership of its affiliated unions present and voting in a referendum ballot.[12]

This provision could not be accepted in good faith by the unions without an abrogation of their existing agreements. The sympathetic strike had been, it will be remembered, outlawed in the agreements since 1900. Nor were the contractors willing to have a local council established which insisted that agreements must be submitted to the membership of the Council; they had insisted upon agreements with the individual unions during the entire period following the 1900 lockout.[13] As great power in the matter of wage agreements was given local councils, under the constitution of the National Department, as had been held by the old Chicago Council of the nineties.

> Demands for increased wages or reduction of hours must be submitted to the local council for indorsement after approval of the national or international union interested has been obtained, and under no consideration shall a local union or unions of any organization affiliated with this department be allowed to inaugurate strikes without the local council's consent.[14]

It was also provided that before a strike could be called by a local council the matter must be submitted to the president of the National Department and to the presidents of the interna-

[12] *Constitution and By-Laws to Govern Local Councils,* Sec. 3, par. 2.

[13] The attitude of the contractors on this point underwent a change, however, about the time the B.C.E.A. was formed in 1911. Since 1915 the contractors have been anxious to have a general agreement with the Building Trades Council, the same to be inserted verbatim in the contracts within the individual trades (see chap. v).

[14] *Constitution and By-Laws to Govern Local Councils,* Sec. 34.

tional unions involved and their sanction received. This provision was unacceptable to some of the Chicago unions, who were unwilling to make their calling of strikes contingent upon the approval of the National Department; and the power of the local council to call strikes was even more unacceptable to the contractors, who had not given formal recognition to any successor to the central body which was dissolved in 1901.

In view of the opposition of both unions and contractors in Chicago to these clauses, it perhaps appears surprising that in 1911 the Building Trades Council of Chicago, a branch of the Building Trades Department of the American Federation of Labor, was recognized as the legitimate central body of the thirty-four construction unions. What really happened was simply what generally happens in human relationships when persons or groups find it advantageous to affiliate in spite of differing objectives and professed viewpoints. There was a little compromise, some tacit understanding that certain things might better be overlooked, and a general recognition that after all it does not matter so much if things differ on paper so long as men can get along together. The Building Trades Council, when it was reorganized after the affiliation of the O'Donnell and Associated League factions, refused to ratify the constitution for local councils without the crossing of a *t* or the dotting of an *i;* but it did affiliate with the National Department under proper and reassuring reservations. It was to be governed by the National Department only in national and international matters and in regard to representation. "This organization shall be known as the Chicago Building Trades Council of the Building Trades Department of the American Federation of Labor, and shall be governed by the general laws of said department in all matters relating to national and international matters and in regard to representation."[15] The American Federation of Labor

[15] Constitution of Chicago Building Trades Council (1911), Art. 1.

Department accepted the Chicago Council on these terms, doubtless feeling that the success of the Department would be doubtful without a city central in Chicago. The anomalous position in which many of the locals were placed by virtue of the fact that their internationals subscribed to the "no anti-sympathetic strike" and other dictates of the Federation was overlooked by tacit consent for the time being,[16] and the contractors apparently were satisfied with the reservation of the Council that it would be governed by the National Department only in "national and international matters and in regard to representation." They continued to make agreements upon much the same basis as theretofore.[17]

Regardless of the qualifications and reservations under which the Chicago locals formed a city central of the National Department, however, the building-trades unions were again united by the end of 1911 in a Council fully as representative and nearly as powerful as the one which went to pieces after the lockout of 1900.

The new employers' organization.—The amalgamation of the various union factions into one Council was partly responsible for the emergence of a new employers' organization—the Building Construction Employers' Association of Chicago. While the Associated League was gaining power and coming into conflict with rival union groups the Building Contractors' Council, it will be remembered, rapidly disintegrated. By 1904 a large number of members had ceased to pay dues, and by 1908 the

[16] This clash between national by-laws and Chicago practices did bring a break between the Chicago locals and the A. F. of L. in 1915, when the new Uniform Form of Agreement was pending (see pp. 97–98).

[17] Also, one should not overlook the fact that the contractors lacked the concentrated strength necessary to prevent affiliation of the locals in a Council of the National Department, even had they wished to do so. By the end of 1910 the old Contractors' Council had virtually ceased to function.

organization was not strong enough to enforce the observance of the "cardinal principles" which were still incorporated in the agreements.

From 1906 to 1911 the real governing group in the Contractors' Council was a new organization of strictly general contractors, formed within the old organization. In the autumn of 1906 a number of general contractors, affiliated with the Masons and Builders Association, broke away from that organization and formed the Masons and Contractors Association, since known as the Builders Association of Chicago.[18] The Masons and Builders Association and the new Builders Association remained in the Council until its dissolution in 1911, but the former gave little if any support. It refused to go along with the formation of a new central association in 1911, and some nine years later it was the nucleus of a rival association. The Builders Association, on the other hand, has always been an integral part of the Building Construction Employers' Association.

The second lesson in the need of strong and centralized organization, administered to the contractors between 1907 and 1911, proved effective. They once more became aroused over the abusive practices, and at a meeting on February 7, 1911, the Building Contractors' Council for a second time authorized the appointment of a committee to consider the formation of a new association.[19] A constitution and by-laws were drafted providing for uniformity of agreement, sufficient funds, an adherence by

[18] The name was not changed from Masons and Contractors Association to Builders Association until 1911, but since the latter name is the one by which the organization is known today, it is referred to as the Builders Association in the following pages. It must not be confused with the Associated Builders, which is now a rival of the B.C.E.A., and which was formed by the Masons and Builders and Carpenter Contractors Council in 1920. The Builders Association, on the other hand, has been affiliated with the B.C.E.A. since the formation of the latter.

[19] The most authentic account of the formation of the new B.C.E.A. is that given by Mr. E. M. Craig (*op. cit.*, July 21, 1923).

all members to the eight cardinal principles, and an insistence that all sympathetic and jurisdictional disputes be abolished. Ninety-five contractors, representing the Builders Association, the Architectural Iron League, the Employing Plasterers Association, the Decorating and Painting Contractors, and the Master Plumbers Association, subscribed to the constitution and by-laws; and on July 27, 1911, there was formed the Building Construction Employers' Association of Chicago. The following statement from the *Bulletin* of the Building Construction Employers' Association is perhaps the best generalized account, from the contractors' viewpoint, of the conditions bringing about the new organization:

The individual trade agreements, made during the year 1900, were believed by many to be a sufficient guarantee that peace and harmony would prevail and no sympathetic strikes would occur. Organized labor, however, was awake to the necessity of building up and strengthening their individual unions, and while the contractors were peacefully dreaming, their employees were concentrating their efforts toward reestablishing their unions and solidifying their depleted ranks. This they succeeded in doing in a few years, organizing every branch of the building industry, establishing a new central council, and proceeding with dexterity and skill to give the employers a few emphatic and costly lessons in organization and prowess. These lessons continued for many years; members, unable to stand the pressure, became discouraged; and individual contractors were compelled to bow to the will of the mighty and stronger power exerted by labor organizations. This power of organized labor was in itself to be commended if it was used to uplift the rank and file of the organized employees, but too frequently and sad to relate it was used as a means of advancing the political ambitions of some congenial delegate or enhancing the value of his earthly possessions. The ease with which many contractors were induced to succumb to the wishes and wiles of some so-called representative of organized labor was certainly in itself startling, while many who attempted to refuse to "come across" amicably were given the third degree and sweated into submission. It was the constant application of this system, the many jurisdictional disputes, and the continual everlasting nagging at the contractor without cause or justification, irrespective of agreements, that aroused the contractors to

a realization of the fact that unless something was done to better conditions in the building industry of Chicago, they would of necessity be compelled to go out of business.[20]

Industrial relations may be said to have been upon a third basis at the end of 1911. The condition that had obtained during the period before the 1900 lockout—the condition of strong organization upon one side and disorganization upon the other—had proved no more satisfactry than had the condition during the second period—that of decentralization upon both sides. The experiment of strong organization upon both sides was about to be tried.

[20] *Bulletin of the B.C.E.A.*, October, 1913.

CHAPTER IV

THE NEW ORGANIZATIONS

For the first time in the history of the Chicago construction industry, something approximating a balance of power obtained in 1911—a balance that was maintained, for the most part, until 1921. The employers had learned the lesson that concentrated strength and unified action are necessary in dealing with organized labor; they had united in a central association, the Building Construction Employers' Association, that was stronger, even, than the Building Contractors' Council had been during and immediately following the lockout of 1900. This solidifying of the ranks of the employers was paralleled by an amalgamation of the outstanding labor groups into a new Building Trades Council. As a result of the approximate balance of power established for the first time, contractual relations during the 1911–21 decade were on a basis entirely different from that obtaining in any previous period. In the three following chapters developments under the new régime are traced from 1911 to 1921. Any analysis of the success or failure of collective bargaining should, however, be prefaced by some mention of the kind of organization that represented each side during this period. Accordingly, the present chapter is devoted to a discussion of the structure and functions of the two organizations formed in 1911, one of which has represented the employers to the present time and the other the central federation of the unions from 1911 to 1921.

The labor organization.—The Building Trades Council of Chicago, the central organization of more than 60,000 organ-

ized mechanics and laborers on the average from 1911 to 1921,[1] was composed of delegates from the joint district councils, district councils, and local unions of the international unions engaged in construction work.[2] The organization was officered by a president, vice-president, secretary, treasurer, an Executive Board, and a Board of Trustees. Its real control was always exercised, however, by a Board of Business Agents, a body recognized in the constitution of the Council and formed upon a basis almost identical with that of the Board which brought on the disaster of 1900–1901. The secretary of the Council acted as secretary of the Board, which was required to meet three times a week. Whenever any business agent had a grievance regarding a job, it was his duty to confer with the contractors, architect, or owner and do all in his power to effect a satisfactory settlement. Failing in this he might call upon the Board for assistance. But the Council never delegated to the business agent the right to call men off the job in violation of the "no-strike" provision in the joint agreement formulated a few years later[3]—however much this prerogative may have been assumed by tacit consent.

The real executive was (and still is under the recent reor-

[1] This is the general average for the decade. Membership increased steadily throughout the period and by 1920 the secretary was, according to his statement, issuing some 71,000 working cards.

[2] Constitution, Art. 3. The constitution referred to in the following pages is the one under which the Council was governed from 1911 to 1921. The split in the Council following the Landis award of 1921 and the reunion of 1924 are discussed in chaps. xii and xiii. The difference between the constitution which governed the Council for the ten years after 1911 and the constitution for local councils of the National Department, mentioned in the last chapter, appears in the following pages. At the time of the reorganization in 1924 the Council decided to be governed in substance by the constitution prescribed by the National Department, but its general structure and functions are still as indicated in this chapter.

[3] See chap. vi.

ganization) the secretary-treasurer,[4] a salaried officer devoting his entire time to the Council, keeping a record of revenues, disbursements, proceedings, and a roll of delegates, conducting all official correspondence, having charge of the issuance of working cards, and keeping an account of the financial standing of all organizations affiliated with the Council.[5] Duties of the Executive Board, as set forth in the constitution, were to "consider and pass upon all matters referred to it by the Council and to formulate and recommend such changes in laws as it deems necessary from time to time, the same to be referred to the Council for its approval or rejection."[6] The Board of Trustees had supervision over the properties and money of the Council, procured halls and offices when ordered so to do, and examined the accounts of all officers intrusted with funds of the Council at the end of each quarter. Although the constitution provided that officers should be elected the last Friday in January of each year, this provision was overlooked in actual practice.[7]

In theory the Council functioned through a system of committee government. The president, upon his assumption of office, was required to appoint a Credentials, a Grievances, and a Legislative Committee, no trade being entitled to more than one

[4] There were only two incumbents of this position during the decade from 1911 to 1921. Mr. Robert Hanlon held the position from 1911 to 1913 and Mr. J. J. Conroy after 1913. Mr. Conroy also acted as secretary during the period following the Landis award in 1921, and still holds this position.

[5] Constitution, Art. 6, Sec. 3.

[6] *Ibid.*, Sec. 6.

[7] Mr. O'Donnell, who succeeded Mr. Metz at the time of the 1911 reorganization, served during nine years of the ten-year period which this chapter introduces. He was elected over Axel Alex of the Lathers, 182 to 28, in January, 1913, and continued to be elected whenever someone saw fit to demand an election until October, 1920, when Tom Kearney, of the Plumbers' Union, succeeded Mr. O'Donnell and served during the period of the Landis arbitration. More recent incumbents of the office are mentioned in chap. xiii.

representative on any one standing committee.[8] The duties of Credentials Committee were nominal—examination of credentials of delegates seeking admission to the Council and reporting upon the same. After the establishment of the Joint Conference Board in 1913 and the formulation of the trade arbitration bodies under the Uniform Form of Agreement in 1915, the duties of the Grievances Committee were considerably restricted; it still, however, investigated all grievances referred to it in writing, the recommendations being subject to the acceptance or rejection of the Council. The Legislative Committee always was a superfluous body. While its duties, as enunciated in the constitution, were to try by all lawful means to bring about the enactment of such laws as it believed would be "for the best interests of organized labor in general . . . . without having the right to pledge the political support of the Council to any candidate or party," the Building Trades Council never was active in the promotion of legislative schemes. Its member unions were always essentially "business unions," concerned almost exclusively in bargaining over wages, hours, and conditions. Many of the rank and file have manifested the Celtic adaptability to local politics, but not to the variety of political activity that concerns itself with legislative programs of a "general welfare" character.

Financial resources of the Council were never large—at least in comparison with those of the Building Construction Employers' Association. Revenue was derived from a per capita tax of six cents per quarter levied against each organization in accordance with the number of working cards issued to the locals. With the Council including during the greater part of the period unions having a combined membership of more than 60,000, its annual income was between $14,500 and $15,000. The Council

[8] Constitution, Art. 8, Sec. 2.

charged an initiation fee of $25 for each organization affiliating. It reserved the power to levy special assessments, but such a proposal had to be submitted to the affiliated organizations for ratification, a majority vote of the organizations voting determining the result.

The graduated scale of representation was always a source of vexation to the large unions.[9] The following tabular statement of the average representation in the Council during the ten-year period following 1911 is indicative of the proportionately larger vote given the small unions:[10]

	Delegates
Architectural Ironworkers	5
Asbestos Workers	2
Boiler Makers	5
Bricklayers	9
Drain Layers	4
Mosaic and Enc. Tile Layers	5
Cement Finishers	6
Structural Ironworkers	7
Sheet Metal Workers	6
Electrical Workers	8
Elevator Constructors	4
Elevator Operators	6
Fixture Hangers	4

[9] The basis of representation was as follows: 100 members or more, 2 representatives; 200 members, 4 representatives; 400 members, 5 representatives; 800 members, 6 representatives; 1,600 members, 7 representatives; 3,200 members, 8 representatives; 6,400 members, 9 representatives; 12,800 members or more, 10 representatives. In no case could a member council or union have more than ten representatives. Representation was one of the matters upon which the Chicago Building Trades Council was governed by the National Department.

[10] Of course, membership of the unions was constantly changing, and with the changes in membership went changes in representation. Under the graduated system the representation of the smaller unions changed more than that of the larger unions, since the greater the membership, the greater was the increase necessary to secure an additional delegate. This tabular statement gives the average number of delegates each union had over the ten-year period.

	Delegates
Composition Roofers	5
Hod Carriers and Laborers	10
Hoisting Engineers	5
Stone Cutters	4
Marble Cutters	2
Machinery Movers	4
Marble Mosaics and Terrazzo Workers	2
Plasterers	7
Painters	10
Glaziers	4
Sign and Awning Hangers	4
Slate and Tile Roofers	2
Steamfitters	7
Sprinklerfitters	4
Plumbers	7
Gasfitters	4
Lathers	5
Carpenters	10
Draftsmen's Union	2
Stone Derrickmen	2

Objection by the larger unions to this system of representation was one of the reasons the Council was not always able to dominate the entire membership. The argument of these unions was simple. They dominated the trades, standards they established filtered through to the smaller crafts, but each individual member of a large union had only a fraction of the voting power in the Building Trades Council that was accorded to individual members of the smaller unions. The Carpenters' District Council, for instance, had an average membership during the period of more than 18,000, but it was allowed only the maximum of ten delegates. The Marble Setters, on the other hand, had two delegates with a membership of 150. Each individual member of the Marble Setters' Union had approximately twenty-four times the voice in the affairs of the Council that each carrier of

the Carpenters' working card had. Or, to phrase it differently, six unions, the Bricklayers, Electrical Workers, Hod Carriers, Painters, Plumbers, and Carpenters, had a combined membership throughout the period of more than 54,000, while the other twenty-nine unions had a combined membership of approximately 7,000. Yet the strong unions, comprising 54,000 building-trades workers, had only fifty-four delegates in the Council, while the twenty-nine unions representing only 7,000 workers had 125 delegates.[11] There are, of course, arguments on the other side. The size of a union is not the sole criterion of its key importance in the construction industry; the smaller unions probably are entitled to greater representation in the Council because of their weaker position in bargaining with the employer; some concession has to be made to "union rights." Nevertheless, part of the inability of the Council to control the larger unions can be traced to the graduated system of representation.[12]

Between 60,000 and 65,000 building-trades mechanics and laborers were affiliated with the member unions of the Building Trades Council between 1911 and 1921, and by 1920, before the withdrawal of the Carpenters, the Secretary claimed to be issuing some 71,000 working cards. The following tabular summary

[11] These statements must not be taken to mean that the six strong unions always acted in harmony with one another, or that they had a common feeling of antagonism of interest toward the smaller unions. The Bricklayers consistently lined up with the smaller unions on internal affairs of the Council.

[12] There had been trouble with regard to the system of representation in the old Council which was dissolved after the lockout of 1900. Mr. Luke Grant, formerly business agent for the Carpenters, upon reading the above comments: "There always was complaint about inequality in representation in the old Council prior to 1900. The representation was probably fairer than in the present Council, but in the old Council any advantage of numbers of the larger unions was nullified by what was known as the 'trade' veto. Carroll, Madden, *et al.* had only to call for a 'trade' vote and the Carpenters, for example, with twenty or more delegates, had only one vote, the same as the smallest union affiliated."

gives the approximate average memberships for the decade and, for purposes of comparison, the approximate memberships in 1926:[13]

	Average for Decade	1926 Membership
Sheet Metal Workers	1,000	1,100
Architectural Ironworkers	400	600
Asbestos Workers	200	250
Boiler Makers	500	550
Bricklayers	5,000	6,500
Drain Layers	250	250
Mosaic and Encaustic Tile Layers	350	500
Cement Finishers	900	1,250
Structural Ironworkers	1,200	1,500
Electrical Workers	4,800	6,000
Elevator Constructors	400	425
Fixture Hangers	400	(Out of existence)
Composition Roofers	400	500
Hod Carriers and Laborers	12,000	13,000
Hoisting Engineers	400	500
Stone Cutters	275	400
Marble Cutters and Setters	150	200
Marble Cutters Helpers	125	200
Marble and Stone Polishers	125	150
Machinery Movers	250	350
Marble, Mosaic, and Terrazzo Workers	150	200
Plasterers	2,100	2,500
Painters	11,500	13,000
Glaziers	300	325
Sign and Awning Hangers	200	200

[13] One must remember that these data represent, in each case, the average of a continually fluctuating membership, and that by 1921 a majority of the unions had memberships in excess of the averages here indicated. Two of the unions mentioned in this list—the Sheet Metal Workers and the Lathers—were not affiliated with the Council during part of the period from 1911 to 1921. The Gasfitters' local became technically extinct in 1920 when it was ordered by the United Association of Plumbers and Steamfitters to affiliate with the Steamfitters' local, although an office and organization were still being maintained by the Gasfitters as late as 1926. Since 1921 Fixture Hangers' No. 381 has gone out of existence, the majority of the members affiliating with Electrical Workers No. 134.

	Average for Decade	1926 Membership
Slate and Tile Roofers	175	250
Sprinklerfitters	175	225
Tuck Pointers	200	200
Steamfitters	1,800	2,200
Plumbers	1,900	2,700
Gasfitters	200	200
Lathers	800	1,200
Carpenters	18,000	25,000
Draftsmen's Union	200	200
Stone Derrickmen	175	250

Five unions which might properly be classed as "building trades" organizations have never affiliated with the Building Trades Council—the Granite Cutters,[14] the Roofing Teamsters, the Sewer Miners, the Steam Shovel Workers, and the Teamsters' Council.[15] The Machinists virtually withdrew from the Council as a result of the fight over the Joint Conference Board in 1913, and in 1915 the Building Trades Department of the American Federation of Labor declared the Machinists' Union not to be a "building-trades" organization.

The Employers' organization.—In at least four distinct ways the Building Construction Employers' Association, formed in 1911, has been able to bring concentrated strength in dealing with labor matters—ways that were impossible under the organization of the old Building Contractors' Council.[16] It has made

[14] The Granite Cutters were always kept out of the Council by the Stone Cutters.

[15] The Roofing Teamsters and the Teamsters' Council should be classified as separate organizations in an enumeration of non-affiliated organizations, since the former was never affiliated with the Teamsters' Council.

[16] The present chapter comes immediately after the account of events up to 1911 because the new organizations then formed were the basis for collective bargaining from 1911 to 1921. It should be remembered, however, that the B.C.E.A. is still in existence, its organization only slightly modified. For this reason, it is referred to in the present perfect tense in the following pages.

definite provision for finances, each member being obliged to pay two-tenths of 1 per cent of all receipts from work done in Cook County into the treasury of the Association. Each member has been required to sign a bond which could be forfeited upon his failure to make a quarterly statement and payment. In the second place, it has required that all settlement of labor disputes must be effected through the Association; the various master trade associations have practically delegated entire jurisdiction over strike settlement to the central body. In the third place, each member has been forced to refrain from making separate agreements with any labor union and to have all agreements approved by the Executive Board of the Building Construction Employers' Association. Since 1915 the Association has taken the official position that all agreements must include the Uniform Form, but in actual practice a number have been approved embodying greater or less variations from this standard form. Finally, the power centered in the Executive Board and Executive Committee has made possible quick unity of action such as the Building Contractors' Council never had. The Executive Board has had complete control over the funds of the Association, has named the standing committees, has appointed the secretary-manager, and has had entire power to regulate the conduct of member associations during any labor dispute. In fact, the Executive Board has functioned a considerable part of the time through the Executive Committee, composed of the chairmen of the standing committees and the secretary-manager of the associations; but these committees have been in themselves creations of the Executive Board.

The professed objects of the Association have been

to protect the interests of its members in Cook County, Illinois, to maintain just and equitable treatment in their relations with each other and their employees, to promote steadiness of employment in the building trades, to supervise the making of trade agreements respecting the employment of

labor, to insist upon the fulfillment of such agreements both in spirit and letter, to promote the settlement of labor disputes by arbitration, to prevent strikes and lockouts, to encourage the formation of associations, and to promote and protect the business interests of its members and its affiliated organizations; but there is no intention, nor shall there be any action on the part of the organization, to control or in any way deal with prices or restrict competition.[17]

All associations of employers in the various branches of building construction in Cook County and all persons, firms, and corporations engaged in the building industry and employing labor in actual work upon buildings were made eligible for membership when the Association was formed in 1911.[18] The acceptance of an application for membership has rested, however, entirely with the Executive Board. The constitution has provided that applications must be accompanied by copies of all contracts between the applicant and organized labor, these being investigated by the Membership Committee (appointed by the Executive Board), and a majority vote of the members of the Executive Board at any regular meeting has been required to elect a new member. Individuals or associations affiliating have been required to give bond that they would abide by the constitution, by-laws, and other rules and decisions of the Association, and that they would pay initiation fees, dues, and assessments levied by the Executive Board or Executive Committee.[19] Membership has included both "association members" and "individual members," the former being the various trade associations affiliated with the central body and the latter individuals engaged in a trade but not holding membership in the association in that trade. Individual members affiliating with any trade association have automatically become represented members of the Building Construction Employers' Association when their associations have affiliated with the central body. The individual members

[17] Constitution, Art. II.

[18] *Ibid.*, Art. III, Sec. 1.

[19] *Ibid.*, Art. X.

have included persons, firms, and corporations engaged in the various branches of the building industry and employing labor in actual construction, but no such person, firm, or corporation has been permitted to be elected an individual member if the trade in which he or it was engaged was already represented by an association. The policy of the organization has been to advise all applicants for individual membership to join the associations in their respective trades and thereby become represented members. In cases where the applicant's particular trade association has refused to elect him a member, the Executive Board has used its discretion in regard to electing him an individual member.

In addition to the control over represented and individual members exercised through the holding of their bonds and through the concentrated power of the Executive Board and Executive Committee, the Association has held its member organizations to a strict accountability for the acts of their individuals. "An association member shall be responsible to the B.C.E.A. for the acts and conduct of its members. . . . . Nothing contained in this paragraph or elsewhere in the constitution shall in any way lessen the responsibility of represented members."[20] Represented members expelled from a member association have been bound to the Building Construction Employers' Association until released by the Executive Committee, and when released have not been allowed to qualify again for membership except with the consent of the trade organization with which they were affiliated at the time of their expulsion.

The real executive officer of the Association has been the secretary-manager, appointed by the president with the consent of the Executive Board. Since the organization in 1911 this office has been held by Mr. E. M. Craig, who was secretary of the parent organization, the Building Contractors' Council, between

[20] *Ibid.*, Art. IV, Sec. 2.

1901 and 1911. Mr. Craig knows the workings of both the member contractor associations and the unions better, without doubt, than any other man in Chicago; and the respect in which he has been held by the business agents for the unions as well as by the contractors undoubtedly has been no small factor in the success of the Building Construction Employers Association. Other officers have been the president; the first, second, third, and fourth vice-presidents; the heads of the standing committees; and, of course, the members of the Executive Board. The president and the vice-presidents have been elected by the Executive Board annually for one-year terms, and incumbents of all other offices have been appointed by the president, subject to the approval of the Executive Board.[21] The Association has required that all officers except the secretary-manager be represented or individual members.

Each trade association has sent representatives to the all-powerful Executive Board in proportion to its membership. Associations having less than twenty qualified members have been entitled to two representatives, those having between twenty and fifty members three, and those having more than fifty members one representative for every additional fifty members or major fraction thereof.[22] For any trades not represented by an association member the president, with the approval of the Executive Board, has had power to place on the Board not more than three representatives from among the individual members. The Board has had the power to determine, regulate, and control the conduct of all members of all classes, including association and represented members, in any and all controversies, differences, and difficulties arising between any member and employees, or between any member and any build-

[21] *Ibid.*, Art. VI, Secs. 1 and 2.

[22] *Ibid.*, Art. VII, Sec. 2.

ing-trades workman or association of such workmen, relative to terms and conditions of employment, and all matters affecting the same, including all controversies, difficulties, and differences arising between the different employers' associations represented on the Board, or between any such association or associations and any building-trades workman or workmen, and generally to determine, regulate, and control the conduct of members of the organization. Technically, the Association has been prohibited from interfering with or taking any part in any difficulty, difference, or controversy between an association member or members and any building-trades workman or workmen except where there has been a cessation or interference with work in any one or more trades such as in the judgment of the Board warranted action.[23] The Board has not been allowed to interfere directly or indirectly with the conduct of shops or factories except upon the written request of the operators of such shops and factories; upon written request, however, the Board has had the right to assume full control of any difficulties, differences, or controversies between a member and his employees or former employees, and to promulgate orders and rules regulating the conduct of its members in regard to the particular dispute.[24] Members of the Executive Board have voted as individuals, a majority constituting a quorum.[25]

The Executive Committee, itself a creation of the Executive Board, frequently has assumed, in actual practice, the direction of such affairs as could not be handled by the secretary-manager. This Committee, consisting of the elected officers of the

[23] *Ibid.*, Art. VIII, Secs. 1 and 2. The last provision, however, has not been interpreted to remove the intervention of the secretary of the Association when a stoppage has been threatened. Indeed, the customary practice has been to take the matter to the secretary.

[24] *Ibid.*, Sec. 3.

[25] *Ibid.*, Art. IX.

Association and the chairmen of the standing committees appointed by the president, has been given by the constitution all powers of the Executive Board in the interim between meetings except removal of officers.[26] The size of the Executive Board, varying between seventy and seventy-five according to fluctuations in membership of affiliated bodies, has made the exercise of its functions difficult, however, and the tendency has been more and more to let the Executive Committee assume detailed direction of the Association's activities.[27] There have been ten standing committees, their chairmen constituting majority membership on the Executive Committee: the Committee on Ways and Means, the Committee on Finance, the Committee on Contracts, the Committee on Membership, the Committee on Legal Action, the Committee on Grievances, the Committee on Promotion and Publicity, the Committee on Trade Relations, the Committee on Legislation, and the Committee on Commercial Arbitration. The Ways and Means Committee has been concerned with the raising of funds; the Finance Committee with disbursements; the Promotion and Publicity Committee with securing new members and increasing the prestige of the Association through publicity; the Membership Committee with passing upon applications and blackballing undesirable applicants; the Committee on Trade Relations with matters relating to materials and other like interests of the organization; the Committee on Contracts with contracts between members and their employees, jurisdictional disputes, and all matters in which architects might be interested; the Grievances Committee with the investigation of all grievances; the Commercial Arbitration Committee with differences of a commercial nature involving members, owners, or architects; the Legal Action Committee with matters of a legal nature in which the Association is interested; and the Legislative

[26] *Ibid.*, Art. VIII, Sec. 5.

[27] Interview with a representative of the B.C.E.A.

Committee with the promotion or defeat of desirable or undesirable municipal ordinances and state and national laws.

The Association has always had adequate financial resources, and it has not hesitated to use them lavishly at times. Dues of each represented and individual member have been two-tenths of 1 per cent on all receipts for building construction work done in Chicago and Cook County. The practice has been to mail monthly blank statements to the members, the bond of any member being subject to forfeiture upon his failure to return the statement or upon proved misrepresentation in the statement. In 1920 members paid into the Association in dues between $50,000 and $75,000, according to one of its representatives.[28] A comparison of these financial resources with the rather meager funds of the Building Trades Council is not without significance.[29] Of the two-tenths of 1 per cent received in dues, one-tenth has been deposited in the general fund of the Association and one-tenth in a reserve fund to be used for emergency purposes. The reserve fund has been under the control of the president and treasurer, subject to approval of their disbursements by the Executive Committee.[30] Another source of revenue has been fines for violation of the constitution, these usually ranging from $50 to $250, although the maximum limits were set in 1919 for various offenses at from $500 to $2,000.[31]

More effectively to hold its members in line and build an interdependence among the represented members, the Association has encouraged the subletting of all contracts by a member

[28] Testimony of a representative of the Association before the Dailey Commission, June 11, 1921.

[29] *Ante*, p. 52. One must remember, however, that the Building Trades Council had power to levy assessments upon member unions, and that some of these unions have been wealthy institutions.

[30] By-laws, Art. VI, Sec. 1.

[31] Amendment to the constitution of April 8, 1919.

to other members. For a time after its organization in 1911 the Association reduced a member's dues in proportion to the amount of subcontracts let to other members. While this inducement was later dropped, the Association has always recommended such a procedure as strongly as possible, one of the constitutional provisions being: "To promote and maintain harmony among the different trades, it is desirable and is recommended that members of the organization shall place all orders for work or material requiring labor at the building or in any trade represented on the Board with members of this organization." Bulletins of the Association have indicated that this recommendation has been almost a requirement, such statements as the following being typical:

> Complaints are still being received that members do not fully live up to the rules respecting the letting of sub-work. The interests of each member of the Association can best be conserved by each member respecting the other's rights and interests. More support can be obtained for the Association and more encouragement given members if all who have any sub-work to let will but give the matter a thought, giving preference to those who are helping to maintain conditions for all by their affiliation with this organization.

Trade associations representing a trifle more than 900 contractors have been members of the Association.[32] Since the formation there have been three defections—those of the Employing Lathers, the Elevator Manufacturers, and the Cut Stone

[32] The member associations have been the Builders' Association, the Iron League of Chicago, the Cement Contractors' Association, the Chicago Elevator Manufacturers' Association, the Chicago Mantel and Tile Dealers' Association, the Chicago Marble Dealers' Association, the Chicago Master Steamfitters' Association, the Chicago Master Plumbers' Association, the Chicago Machinery Movers' Association, the Chicago Mosaic and Terrazzo Association, the Concrete Contractors' Association, the Composition Floor Manufacturing Association, the Decorating and Painting Contractors' Association, the United Employers' Association of the Wood Industry, the Pipe and Boiler Covering Employers' Association, the Employing Plasterers' Association, the Employing Lathers' Association, and the Cut Stone Contractors.

Contractors. The first of these was represented in the Association from 1913 to 1916, but withdrew because of the ability of the union to form independent agreements with various independent contractors, which practically deprived the contractors affiliated with the Building Construction Employers' Association of men. The Elevator Manufacturers left the Association in 1917, and the Cut Stone Contractors in 1920 when they affiliated with the new Associated Builders.[33] The fact that neither the Carpenter Contractors nor the Masons and Builders Association ever affiliated with the Building Construction Employers' Association has been a source of weakness.[34]

[33] See chap. vii.

[34] A number of individual members of these organizations did affiliate, however.

CHAPTER V

A BALANCE OF POWER

With the emergence in 1911 of the two organizations described in the preceding chapter, industrial relations assumed a different aspect in the Chicago building trades. Conditions had been no more happy during the period from 1901 to 1911, when both sides were decentralized, than they had been from 1890 to 1900, when one side was organized and the other was not. An experiment in collective bargaining based upon strong organization and centralized control on both sides—upon something approximating a balance of power—was commenced in 1911.

In the present and the two following chapters, concerned with developments from 1911 to 1921, the progress of this experiment is discussed. The account of what occurred should at least suggest answers to such questions as: How has the kind of collective bargaining that has obtained worked? What have been its shortcomings? What have been its advantages? To what extent are the conclusions that can be drawn applicable to other industries? What contributions, if any, have the Chicago building trades made to a code of industrial relations? What have been the forces interfering with the effective utilization of labor power? Why have these forces been present, and to what extent can they be eliminated? After all, is strong organization on both sides the best solution of the problems of employer-worker relations constantly arising in the construction industry?

Although the organization of the Building Trades Council and the Building Construction Employers' Association gave both the unions and the contractors concentrated strength in

attempting to attain their objectives in the matters of wages, hours, and conditions, neither side was able at any time completely to control its membership. Members of the Building Construction Employers' Association in 1913, for instance, refused to lock out workmen when ordered to do so by the central association, and while the bonds of these members were declared forfeited, the declaration of forfeiture was later withdrawn.[1] A couple of years later, the Employers' Association was forced to rescind a lockout order temporarily at the request of the Sheet Metal Contractors, and while restrained by injunction from going ahead with enforcement of the order after a reasonable time had been allowed these contractors, it failed to call the lockout after the injunction had been dissolved. It was unable to hold its members to a strict observance of the terms of the Uniform Form of Agreement in 1915, nor did it feel strong enough to call a lockout on the Painters, Lathers, Sheet Metal Workers, Machinists, Electricians, and other objectors to this agreement.[2] On the whole, the central employers' association used the lockout effectively, but it did not always have the backing of its entire membership. Nor was the Building Trades Council always able to hold member unions in line. The Sheet Metal Workers left the Council in disgust in 1914 when a Joint Conference Board covering the entire industry was established, and did not return until some six years later. The Machinists and Lathers also left the Council;[3] and the central labor body

[1] *Bulletin of the B.C.E.A.*, December, 1913.

[2] And it was unable to prevent the incorporation of a restriction against the use of non-union materials in the Carpenters' agreement of 1918, while some of its members have always violated the third of the cardinal principles by unwritten law (see chaps. vi and vii).

[3] In 1915 the A. F. of L. decided that the international machinists' union was not a "building trades" organization and the machinists' locals in Chicago therefore had no right to membership in the Chicago Building Trades Council. However, the Machinists had withdrawn some time before the A. F. of L. decision.

was unable to hold several of its more important unions to an acceptance of the Uniform Form of Agreement.

The new régime commenced in anything but a peaceful manner. More than 20,000 men were idle during the summer of 1911, immediately after the formation of the Building Construction Employers' Association, as a result of continual disagreements between the Plumbers and the Steamfitters over jurisdiction. After a conference in which the contending unions and the Building Trades Council were represented by Thomas Kearney, Charles Rau, and Simon O'Donnell, the seven-month stoppage came to an end. The Laborers, Gravel Roofers, Sheet Metal Workers, Structural Ironworkers, and Cement Finishers were involved in jurisdictional disputes the same year. In 1912 there was trouble between the Lathers' Union and the Building Construction Employers' Association over a wage increase. Axel Alex, business agent for the union, called his men out when the contractors refused to increase wages from $5.50 to $6.00 a day, in spite of the fact that the agreement at the former rate had two years to run. Approximately one thousand men were involved in the strike, which was settled when a wage of $5.70 a day was agreed upon. The same year the Carpenters went on strike, demanding five cents an hour increase in wages and the right to refuse to work on non-union materials. The settlement effected after the intervention of Charles Gindele, president of the Building Construction Employers' Association, granted the wage increase but retained the third of the contractors' "cardinal principles"—that there should be no restriction on the use of any materials except those prison made. The Carpenters, Sheet Metal Workers, Marble Setters, Glaziers, Bricklayers, Electricians, Ornamental Ironworkers, Machinery Movers, Plumbers, Painters, Hoisting Engineers, Boiler Makers, Steamfitters, and Teamsters were involved in jurisdictional disputes during 1912. This increase in the number of jurisdictional and sympathetic

strikes led to the passing of a resolution by the Executive Board of the Building Construction Employers' Association that in the future all members should insist that "no cessation or abandonment of work" provisions should be incorporated in their agreements.[4]

The lockout of 1913.—The first decisive clash over the principles for which the contractors had fought in 1900 came, however, in 1913, when 27,000 Bricklayers, Sheet Metal Workers, Steamfitters, Ornamental Ironworkers, Hoisting Engineers, Machinery Movers, Machinists, Derrickmen, and Marble Setters were locked out. It was out of this lockout, somewhat similar to that of 1900, that there emerged the Joint Conference Board, the first supertrade arbitration body actually put into operation in the Chicago construction industry. The lockout differed from that of 1900, however, in that, first, the number of trades involved was smaller, and, second, the lockout was not called against the unions because of their affiliation with the Building Trades Council, but rather because certain unions had gone on strike in defiance of the orders of the central organization.

In January of 1913 all Marble Setters at work on the Continental and Commercial Bank building struck because the contract for marble work on the new Field Museum, a building project that was not completed until 1923, had been let to a Vermont firm employing non-union workers. The Marble Setters had no grievance about the Continental and Commercial Bank job, and they were under an agreement incorporating the third of the "cardinal principles." The Stone Cutters, the Painters, and the Laborers quit in sympathy, and the Building Construction Employers' Association threatened a lockout of all members of the unions involved, upon all jobs, if the men did not return to work

[4] The personal recollections of Mr. E. M. Craig, secretary of the B.C.E.A., on these troubles can be found in the files of the *American Contractor* for the summer months of 1923.

on the bank building. Under pressure from President O'Donnell, of the Building Trades Council, the men returned to work—only to walk out again on June 12 under the leadership of Michael J. Boyle's Electricians, whose sympathy for the Marble Workers was augmented by the fact that the contractors had recently refused to employ "maintenance men" sent to buildings and jobs by Electrical Workers' Union No. 134. The Building Construction Employers' Association therefore on June 19 laid off throughout the entire city all members of the unions which had struck on the bank job.

The employers used to advantage during the lockout a special corporation, the Empire Construction Company, formed a few months previously for the express purpose of taking over work during strikes and lockouts. The Empire Company had been incorporated with a capital stock of $10,000, two-thirds of which was held by members of the Building Construction Employers' Association. It had been licensed to do business in Illinois in any kind of construction work, including the manufacture and delivery of materials. The firm was incorporated in Wisconsin in order that legal appeal might be made, when necessary, to the federal instead of to the state courts. Throughout the lockout of 1913 the firm served as an employment office for the contractors.

The lockout was of four weeks' duration; the workers lost several hundred thousand dollars in wages, while the value of construction work held up ran into millions. The matter of wages was only a minor issue, concerning the Marble Setters alone, and the contractors were glad to settle the wage issue by granting an increase of twenty-five and fifteen cents an hour to the setters and helpers, respectively. Primarily the contractors were fighting in defense of the principles they had enunciated in 1900. The lockout was settled upon the basis of this wage compromise so far as the Marble Setters were concerned, with the

unions that had struck in sympathy agreeing to accept the cardinal principles which had been disregarded so much of the time between 1905 and 1911. Most important of all, however, the lockout resulted in the setting up of a Joint Conference Committee to settle the dispute—a conciliation and arbitration body which later became the permanent Joint Conference Board for the entire market.

The Joint Conference Board.—By agreement ratified by both the Building Construction Employers' Association and the Building Trades Council at the conclusion of the lockout, the Joint Conference Committee[5] was to become a permanent fixture and both sides were to be governed by its decisions. There was to be no stoppage of work in any trade pending a decision of the Committee. Eight representatives of the Building Trade Council and eight representatives of the Building Construction Employers' Association have constituted the membership of the Joint Conference Board, as it since has been called, the Board meeting weekly and oftener when necessary. Although the provision in the Uniform Form of Agreement after 1915[6] that each trade should call in an umpire when its own (trade) arbitration board was unable to agree eliminated the need of an appeal body so far as disputes between employers and workers in a particular trade were concerned, the Joint Conference Board, after 1915, considered all disputes in which more than one trade was concerned—disputes which obviously could not be settled by an arbitration board representing employers and the union in only one trade. The fact that many of the disputes in the building trades have been of a jurisdictional character has created an un-

[5] The name was not changed to Joint Conference Board until two years later, but since this is the name by which the arbitration body has been known since 1915, it is referred to in the following pages by its later name.

[6] See the following chapter.

usual need for a board that could rule on intertrade as well as intratrade controversies. Before the establishment of the National Board of Jurisdictional Awards in 1919, the jurisdictional decisions of the Joint Conference Board, like all others, were final and theoretically binding. After the establishment of the national jurisdictional machinery by the Building Trades Department of the American Federation of Labor and other bodies,[7] decisions of the local board on jurisdictional troubles were subject to revision by the National Board. Approximately 75 per cent of the cases were jurisdictional in their character. Regardless of the opposition of the Sheet Metal Workers, Lathers, Machinists, Electricians, and other groups who objected to the no-cessation-of-work principle involved in the agreement to form a joint arbitration body, the Board immediately went ahead with the rendering of decisions, a majority of which were complied with. Some thirty-nine controversies were settled during the first three years of its existence. But its greatest achievement was the drafting, in 1915, of a uniform form of agreement for all trades in the industry.

Formation of the Joint Conference Board resulted in strikes by both the Lathers and Sheet Metal Workers, while the Electricians and Machinists let it be known that they would never give their "moral support" to any machinery of arbitration which outlawed the sympathetic strike and put the contractors in a better position to enforce the third of the cardinal principles. The Metal Workers advised the Council on July 31, 1914, that they would not abide by the decisions of the Joint Conference Board, and they were promptly expelled from the Council. The Building Construction Employers' Association, after months of sporadic strikes called by Tom Walsh, passed a resolution that

[7] See pp. 141–42.

all members of the Building Construction Employers' Association who may be directly or indirectly employing any member of the Amalgamated Sheet Metal Workers' Union No. 73 of Chicago and Cook County to do any kind of work, either in shop or on any building or structure in Cook County, are instructed to lay off such men in their employ on Saturday, August 24, 1914, before the hour of 12 o'clock.[8]

At the request of the Sheet Metal Contractors the scheduled lockout was postponed until September 5. In the meantime, the union was granted an injunction by Judge Dever which restrained the Sheet Metal Contractors and other members of the Building Construction Employers' Association from laying off the Sheet Metal Workers on the ground that such action would constitute a violation of existing agreements. The entire Building Trades Council was also enjoined from aiding the contractors in the lockout. The injunction was later dissolved by Judge Foell in the Superior Court, but the lockout order was never enforced.[9]

Adoption of the standard agreement.—Lack of uniformity among the various agreements added to the difficulties of the Board in rendering decisions on cases in which more than one labor body was concerned, and the contractors, under pressure from the Building Construction Employers' Association, were anxious to have the no-cessation-of-work clause incorporated in all agreements. The easiest way of accomplishing this end, apparently, was the writing of a form of agreement to be made the basis of every trade contract. The Joint Conference Board therefore set about the task of "drafting a form of agreement that would meet the needs of every trade and make perpetual

[8] Quoted from E. M. Craig, *American Contractor,* September 29, 1923.

[9] In fact, the Sheet Metal Workers continued to call strikes on some of the contractors throughout 1914 and 1915, while other contractors, although members of the B.C.E.A., continued to employ members of Local No. 73 in spite of its refusal to recognize the awards of the Joint Conference Board.

the peace plan in vogue in Chicago." The agreement, reasserting the cardinal principles, setting up the same machinery of arbitration within each trade, making unlawful any stoppage of work, and pledging all to be governed by and accept the rules and decisions of the Joint Conference Board, was ratified by both the Building Construction Employers' Association and the Building Trades Council in 1915. Each pledged that the new contract would be incorporated in the trade agreement of every member association or union.

The joint agreement was as much the work of Mr. O'Donnell and the group associated with him in the Building Trades Council as of the Building Construction Employers' Association officials. A circular letter, adopted by the Building Trades Council and sent to all members of affiliated unions, is illustrative of the attitude of the Council at that time toward the establishment of permanent contractual relations.

> Our uniform agreement has closed the avenue of temptation and shut off possibilities of graft. The business agent who has forgotten how to live within an honest salary must now retrench. Your advisory board obtained concessions never before granted. Wage scales and working conditions are made by the trades themselves. The arbitration agreement helps the men who work as it gives them steady employment. But it exterminates the mercenary representative whose daily thought is of strikes and the adjustment of them in a way profitable to himself. The unions will be free from the unnecessary strike curse, which has stamped them as a menace to the city. If, in every crisis which involves the man who works, his interests were conserved as thoroughly as they will be by the uniform agreement, the stigma of being a labor official would no longer be heard, and the office of the business agent would become a badge of honor.[10]

When one remembers that the no-strike, anti-sympathetic strike, and no-boycott on non-union materials provisions, as well as the scheme of compulsory arbitration, ran counter to some

[10] Circular letter mailed out by the Building Trades Council on February 19, 1915.

of the edicts of the American Federation of Labor, and that the unions had, in the new agreement, conceded to the contractors practically everything they had objected to in 1900, one must regard this circular letter as being, in some ways, a rather remarkable document. The Council leaders went on record in 1915 as supporting more concessions than business unions ordinarily have been prone to grant; and they frankly implied that unless more stable contractual relations were established, their profession would soon become one of ill repute. The Uniform Form of Agreement for the entire industry represented what may be called the great compromise in the history of the Chicago building trades.

No final answer to the questions raised at the beginning of this chapter can be attempted without detailed consideration of some of the special problems that have been little more than mentioned as yet, but certainly it can be said that in spite of the turbulence of the events between 1911 and 1915 something had been accomplished by the latter year in putting the industry on a more stable basis. The "cardinal principles," opposed bitterly by the workers in 1899 and 1900, had been accepted by both the Building Trades Council and the Building Construction Employers' Association as a fair basis for industrial relations. These principles had arisen, originally, simply as generalized statements growing out of grievances the contractors had suffered; they had been accepted for a little while after 1900 when the employers had held the whip hand; but as soon as the unions had progressively gained strength, while the old employers' association lost, the principles had come to be disregarded. Events during the latter part of the first ten years after 1900 showed that a permanent application and enforcement of these principles could not be had when they were foisted upon one party by the other at a time of unequal strength, nor would

they be respected when the central organizations on both sides were demoralized. It took the lockout of 1913 to impress upon some of the unions the determination of the rehabilitated contractors' association to enforce the application of these principles; and the discipline of a strong labor organization was necessary to bring about their recognition throughout the industry.

As has been indicated, neither side was able completely to control its membership between 1911 and 1915—and for that matter, neither side has ever been able to exercise complete control. The position of the Building Trades Council was always a somewhat anomalous one—its constitution was not in conformity with the constitution for local councils approved by the National Building Trades Department; it accepted membership in the National Department under reservations that were always a source of grievance to the American Federation of Labor; its stand in favor of "no sympathetic strikes" brought opposition from both the American Federation and some of its own members; some of the larger unions, denied proportional representation, cared little whether their policies were in accord with those of the city central; and, finally, like any labor organization, it had to contend against the drive for the open-shop, even though this drive generally came not from the employers of building craftsmen but from outside parties. Likewise the Building Construction Employers' Association was not able completely to control its members. The Sheet Metal Contractors, possibly influenced by an exclusive agreement, were more desirous of going along with the union on the matter of restrictions upon out-of-town materials than with the other employers. The large number of independent contractors in a few of the trades had been another source of weakness, and the absence of such powerful groups as the Masons and Builders and the Carpenter Contractors still a third.

At the same time the final acceptance by the central labor organization of the principles enunciated by the contractors in 1899, the establishment of strong central organizations on both sides, the formation of the Joint Conference Board, and, finally, the drafting of a standard agreement which has been, with some changes and elaborations, the basis for contractual relations since 1915 meant that industrial relations had been put upon a more stable basis than ever before in the Chicago construction trades.

CHAPTER VI

THE STANDARD AGREEMENT

The standard agreement, which has been the basis for contractual relations since 1915, was accepted by the Building Construction Employers' Association, the Building Trades Council, and a majority of the member unions as a document drafted "for the purpose of preventing strikes and lockouts and facilitating a peaceful adjustment of all grievances and disputes which may from time to time arise between employers and employees in any trade."[1] Since the modification made in 1921 by the arbitrator of that year's dispute, who insisted that unions allow workers not affiliated with them to work under permit when their own members were not available—in fact, a practice that had always been in vogue in most of the trades—the professed purpose of the agreement has been enlarged to include

> the securing at all times a sufficiency of skilled mechanics for the party of the first part, and so far as possible of providing continuous employment for the party of the second part, such employment to be at the wages and in accordance with the conditions herein agreed upon, and for the further purpose of preventing other waste and unnecessary and unavoidable expense, annoyance, or delays, making building costs as low, stable, and certain as possible consistent with fair wages and the advancement of labor management in skill and productivity.[2]

Although under the provisions of the agreement wage rates and working rules in each trade have been agreed upon annually by the arbitration board of that trade, the agreement itself has

[1] Art. I of the 1915–18 agreement.

[2] Art. I of the 1923–26 agreement. This provision, in substance, has been continued as the preamble to the 1926–29 agreement.

run for three-year periods.[3] Both parties have agreed, upon each renewal, that there would be no strikes, lockouts, or stoppages of work, that they would by all lawful means compel their members to comply with the arbitration agreement and working rules as jointly agreed upon and adopted, and that where a member or members affiliated with either of the two parties to the agreement refused to do so, such member or members would be suspended from membership in the association to which he or they belonged.[4]

The cardinal principles.—The eight "cardinal principles" for which the contractors fought in 1900 have been adopted as the basis of the joint agreement. Weirdly interpreted as they sometimes have been, contrary as they are to the constitutions of some of the international unions having locals in Chicago, and often ignored by both sides, these generalized statements of principle have at least constituted an approximation to the way things have worked out in everyday contractual relations. They have taken (and still do take) precedence over any rules, constitutional provisions, or decisions of a trade arbitration board contrary to them.

First, the cardinal principles have declared, there must be no limitations on the amount of work a man may do during a day. This provision was, and is, aimed at restrictive practices that have continued to greater or less extent since the days of Skinny Madden, when a lather might nail only so many bundles

[3] The agreement was renewed in 1918. In 1920, when the horizontal wage scale of $1.25 an hour was granted in all the skilled trades, the 1918 agreement was declared to be extended to 1923. The changes as a result of the Landis arbitration in 1921 necessitated a somewhat different agreement, however, and the 1921 agreement was extended to 1923. In 1923 an agreement, with modifications of the original form discussed in the following pages, was adopted effective until May 31, 1926. Late in 1926 the agreement was extended to 1929, with modifications indicated in this chapter.

[4] Art. II.

of lath during a day, a bricklayer lay only so many bricks, a plasterer cover only so many square feet, and an ironworker place only a limited number of rods in the concrete. A majority of the agreements between 1900 and 1915 carried this provision, and in periods when work was scarce it undoubtedly was of some effect as a club over the unions' heads. No one will contend that it has been entirely lived up to, even since the Uniform Form of Agreement was adopted in 1915.[5] Restriction of output is, for the most part, a human rather than a union matter. During a period when work is slack and idle men are walking the streets, no union rules on earth can keep a man from putting forth his best efforts to hold his job; nor can any prohibition of limitation keep men from "making the job last a little longer" and "going easy" when they are protected in their work or when they know that the employer will have difficulty in getting others to take their places.

The second of the principles has been the assertion that no restrictions should be put upon the use of tools, machinery, or appliances. The working rules attached to the various agreements and the constitutional provisions of the unions have, however, almost completely emasculated this principle in a number of the trades.[6]

More bitter controversy has been aroused by the third of the cardinal principles—"there shall be no restriction of the use of any raw or manufactured material except prison-made"—than by any of the others. So strong was the opposition to work on non-union materials that Congressman Madden was obliged

[5] Restriction of output is discussed in chap. ix.

[6] Among others, the Hoisting Engineers, Hod Carriers, Structural Ironworkers, Plumbers, and Glaziers (see chap. ix, where these restrictive rules are discussed somewhat in detail). They are mentioned here only in so far as is necessary to indicate the extent to which the cardinal principles have been subject to different interpretations at different times.

to exempt cut and sawed stone, granite, exterior marble work, common brick, and wood mill-work from his proposed compromise agreement in 1900.[7] The Sheet Metal Workers, Electrical Workers, and Fixture Hangers had a restriction against non-union materials by unwritten law for years. The great strike of 1913, which resulted in a general lockout, was brought about by the Marble Setters' violation of Cardinal Principle No. 3. The Carpenters always opposed this provision, and although they agreed to the Uniform Form in a compromise settlement of the strike of 1915,[8] they changed the third principle in the agreement of 1918 to read that there should be no restriction upon any materials "except prison-made and non-union."[9]

A fourth fundamental proposition upon which the 1915 and subsequent agreements were based was the dictum that no person should have the right to interfere with workmen during working hours. For the most part, this proposition has always been intended by the employers more in the nature of a check than as a rule to be literally observed. In the constitutions of the individual unions there have been provisions that presidents or their duly accredited representatives should have the right to call on and interview the foremen or journeymen at work on any building or job without causing interference or hindrance with the progress of the work, and the 1926–29 revision of the standard agreement, while retaining this as well as the other cardinal principles, specifically sanctions the right of union officials to visit jobs and interview workers.

Fifth among the cardinal principles has been the statement that the use of apprentices should not be prohibited. Few of the

[7] E. M. Craig, *American Contractor*, February 18, 1923.

[8] See chap. vii.

[9] As a result of which change a number of carpenter contractors, union officials, and mill-owners were indicted for violation of the federal anti-trust law (see chap. ix).

unions, however, have not made some restrictions and reservations. In the agreements made soon after the lockout of 1900 some of the unions insisted upon interpreting "apprentices" as meaning "an apprentice," one being allowed in each shop or on every job. Limitations were placed upon the number of apprentices in a majority of the trades after adoption of the standard agreement in 1915.[10] The agreement in the form in which it was readopted for the 1926–29 period, however, imposes on the unions the obligation "to have in the making, through apprenticeship training, men who can enter the trade properly equipped to perform the work."

The dictum that the foreman should be the agent of the employer, sixth of the cardinal principles upon which the 1915 and subsequent agreements have been based, has fared in much the same manner. A number of the unions have specified that the foreman should be one of their own number, that he should see that all men working under him were members of the union in good standing, that he should report to the president any violations of union rules, and that he could be delegated to collect initiation fees and back dues. Within such limitations, the foreman has been the agent of the employer.

Assurance that union members working for independent contractors would not, during dull periods, accept lower wages than the rate incorporated in the joint agreement was the seventh of the principles in the joint contract of 1915. "Workmen are at liberty to work for whomever they see fit, but they shall demand and receive wages agreed upon by the Joint Arbitration Board in this trade under all circumstances." This provision

[10] Nevertheless, it is extremely doubtful whether the building-trades unions of Chicago have restricted numbers of apprentices to an extent not allowing for current needs, migration, and natural expansion of the industry. More important, perhaps, has been the fact that some of the unions have so restricted what apprentices may do that it has not been worth the while of the employer to hire even the maximum number allowed. Apprentice rules are discussed in chap. ix.

has been chiefly a protection for the contractors in the associations against their competitors, not bound by a wage agreement, being able to get men at lower rates during dull seasons.

Finally, the principles upon which the agreement has been based have asserted the employers' right to hire and discharge members of the union at their discretion. "The employers are at liberty to employ and discharge whomever they see fit." This principle, however, has always been understood to be within the limits of the closed-shop clause. While the theoretical right of the employer to hire and discharge whomever he might wish has been asserted since 1915, Article 17 of the 1915 and 1918 agreements provided clearly for the closed shop, workers not members of the locals, parties to the agreement, being allowed to work under permit only if they were affiliated with the same international and solely upon condition that the union was unable to furnish workers from its own membership.[11] After the Landis arbitration in 1921, employers were allowed to hire any workers if the local was unable to furnish mechanics within forty-eight hours and members of the national or international union could not be procured within a second forty-eight hours, until the union could furnish men. In the 1926–29 form of the agreement, employers are given the right to hire "such men as are available" when the local cannot furnish men within forty-eight hours, and the union must issue weekly permits to such men.

The system of arbitration.—The machinery of arbitration for the entire Chicago market, as set up by the agreement of 1915, has consisted of a board representing the associated employers and union within each trade and the Joint Conference Board governing the industry as a whole. Both parties have been required each year to select an Arbitration Committee to

[11] And the 1921–23, 1923–26, and 1926–29 agreements, it will be noted, have been closed shop, in spite of the indicated modification in this provision.

serve for twelve months,[12] the number varying in the different trades.[13] The two committees together have formed a Joint Arbitration Board, electing a president, secretary, treasurer, and umpire. Persons not engaged in the trade and persons holding public office have been ineligible to hold membership upon the Arbitration Board.[14] When a dispute or grievance has arisen between a journeyman and his employer, the question at issue has been, under the provisions of the agreement, submitted in writing to the presidents of the two organizations, and upon their failure to meet and agree within forty-eight hours the matter has gone to the Joint Arbitration Board at its next meeting. If the presidents agreed but either of the parties to the dispute was dissatisfied, appeal could be taken to the Joint Conference Board. Within the individual trades the boards reached their decisions by majority vote, secret ballot, and it was only in case of a tie vote that the umpire was requested to hear the case. The fact that both unions and employers' associations have had an equal number of representatives on the arbitration boards has resulted, however, in a fairly large number of tie votes.

A decision of the umpire has been final and binding, in theory at least; but in spite of the provision that when an umpire was called his decision should be final and binding, the real purpose of the "arbitration" boards has always been to bring about conciliation rather than arbitration. It has only been when the two parties were unable to agree that the functionary whom both have considered an evil and only rarely a necessary one,

[12] Art. IV.

[13] Art. V. The Uniform Form of Agreement has left the number of members on each committee blank, the union and the employers' association in every trade being allowed to agree on this point. Most of the unions and employers' associations have appointed three each; in a few of the trades five have represented each side.

[14] Art. VI.

the umpire, has been called in. Yet the conciliation phase of the machinery has not always produced encouraging results. A considerable number of the hearings have resulted in tie votes, the representatives of each side voting as a unit. Nor have the disputants always lived up to the provision that the decision of the Board or umpire should be considered final and that there should be no stoppage or strike by a dissatisfied party. The arbitration board of each trade has had the right to summon any member or members affiliated with either party to the joint agreement, either as principals or witnesses, the officers of the union or association being responsible for their appearance.[15] The salary of a representative on the Joint Arbitration Board has been paid by the association or union he represented.[16] In practice, the union president and secretary have generally acted as two of the union representatives on the Board, and one of the business agents as the third. Four members of the Joint Arbitration Board in any trade constitute a quorum under the last (1926) revision of the agreement, provided not less than two from each side are present. The chairman of each arbitration committee has had the right to cast a vote for absent members provided a quorum was present.[17] If no quorum was present, the matter went to the Joint Conference Board representing the Building Trades Council and the Building Construction Employers' Association, "whose decision shall be binding upon the parties thereto." The Conference Board has been required to meet upon forty-eight hours' notice in writing by either party to the agreement.[18]

[15] Art. 12.

[16] Art. 13.

[17] Art. 18 of the 1915 and 1918 agreements; Art. 16 of the 1921 and 1923 agreements. The provision regarding direct submission to the Joint Conference Board if a quorum was not present was not inserted until 1920.

[18] Art. 10. Formerly seventy-two hours; changed to forty-eight in 1921.

All unions and employers' associations making use of the Uniform Form of Agreement have been pledged to recognize and to abide by the decisions of the Joint Conference Board.[19] In spite of the fact that the decision of the umpire, when needed, has been technically final and binding, the practice has developed of allowing a dissatisfied party to appeal an umpire's or board's decision to the Joint Conference Board. This is a practice that has, however, grown up entirely apart from the agreement. The Joint Conference Board has also functioned as an appeal body when a quorum could not be obtained to hear cases within the individual trades, and it has had original jurisdiction over disputes between or among unions on matters of jurisdiction. It has been responsible for the enforcement of the Uniform Form of Agreement and has had supervision, in fact, over all matters coming up between the Building Construction Employers' Association and the Building Trades Council. Since the establishment of the National Board of Jurisdictional Awards, jurisdictional cases have been decided subject to appeal to the National Board.[20]

Closed-shop and anti-strike strike provisions.—Even with the modifications in effect between 1921 and 1926, the agreement has always provided for the closed shop. As originally written by the Joint Conference Board in 1915 it provided:

> If, after forty-eight hours' notice to the party of the second part, they are unable to furnish to all members of the parties of the first part a required number of mechanics, then the party of the first part shall be entitled to procure and employ the men required. Such men shall be affiliated with the International Union of which the party of the second part is a part and shall be amenable to the rules and regulations of the local union of the party of the second part.[21]

[19] Art. 8.

[20] Modification of Art. 8 in the 1921, 1923, and 1926 agreements.

[21] Art. 17 of 1915 and 1918 agreements.

There was little in this provision that did not conform to the most rigid definition of the closed shop. Only when there was a shortage of men and when the union could not find workers for a particular job could workers not members of the local be employed—and even then they must be members of the same international and subject to the rules and regulations of the local. This provision was unsatisfactory to Judge Landis in 1921,[22] and when he rendered his award he eliminated the provision that workers obtained when the union was unable to furnish them should be members of the same international and "amenable to the rules and regulations of the local union." He also made compulsory the issuance of permits by the unions to any workmen when members of the local could not be obtained within forty-eight hours and members of the international within a second forty-eight hours, regardless of the union affiliation or non-affiliation of such workmen. As incorporated in the 1923–26 agreement the closed-shop provision had this modification:

> Failing after due notice of forty-eight hours to procure mechanics so affiliated [with the international], the members of the party of the first part [the employers] may employ such men as they may be able to procure, who shall by that fact be entitled to a permit to work, and the party of the second part [the union] shall immediately issue such a permit to such men to work for such member of the party of the first part until such time as the party of the second part supplies sufficient men to take their places.[23]

In 1926 the provision that during the second forty-eight hours the employer could hire only members of the international was dropped, and at present, as already indicated, temporary employment of non-union men under weekly permits from the union, until the local can furnish mechanics from among its own membership, is permitted.

No cessation of work has been allowed before, during, or

[22] See chap. xii.

[23] Art. 18 of the 1923–26 agreement.

after a hearing of a dispute before the Joint Arbitration Board in a particular trade, the Joint Conference Board, or (since 1919) the National Board of Jurisdictional Awards, and "the Joint Arbitration Board in this [every] trade has full power to make and enforce all lawful working rules governing each party."[24] An exception to the general no-strike program of the agreement has been made since 1921 in the matter of strikes because of non-payment of wages, union officials being allowed to call their men off the job to collect back pay.

> Nothing in this agreement shall be construed to interfere with the rights of officials of the union from stopping work for the purpose of collecting wages due the members until such time as payment is made, or in case of dispute as to the amount of wages due, until the matter has been referred by one party or the other to the Joint Arbitration Board for adjustment.[25]

In a majority of the trades, however, there has been little trouble regarding non-payment of wages; a few of the business agents whose men work almost entirely for subcontractors have told of cases in which they have had to call strikes on certain contractors because of payment in bad checks, but most of the unions have insisted upon payment in lawful currency of the United States.[26] The abandonment of work by the union men, either separately or collectively, by concerted or separate action, on any building or buildings under construction by employers parties to the agreement has been considered a breach of contract unless the union, on demand, furnished within twenty-four hours an equal number of competent men. Failing to do this, the union

[24] Art. 9.

[25] Art. 26 of the 1923–26 agreement. This provision did not appear in the Uniform Form of Agreement until 1921. A modification introduced in 1926, however, obligates the union to submit a report of the matter to the Joint Arbitration Board immediately.

[26] Interviews with business agents for the various unions.

has been obliged to permit other men to work regardless of their affiliation.[27]

Prior to 1921 the agreement prohibited the workers from striking because non-union men "in some other line than building construction" were employed on the same building or job, or elsewhere by the same employer, but it did not prohibit workers in any trade from striking because non-union men in another building trade were employed on the same building or job, or on another job by the same contractor. The arbitrator of the 1921 wage dispute, in revising the agreement in a manner that he thought would eliminate the sympathetic strike, changed this clause to provide that "no members affiliated with the party of the second part [the union in a particular trade] shall leave work because non-union men in some other line of work are employed on the building or job or on any other building or job."[28] Workmen did, however, have the right to strike between 1921 and 1926 when the contractor was having work in their own trade done by non-union men.[29] As a result of this provision, unions which accepted the award rendered in 1921, discussed in detail in chapter xii, permitted their members to work on buildings and jobs with non-union men of other building trades until 1926, even though this was, in some cases, contrary to the rules of the international unions. In the 1926–29 agreement, however, substantially the old provision was restored. Workmen are now prohibited from striking because the contractor or owner is employing non-union men in other lines than building construction, but they have restored to them the right to refuse to work on buildings or jobs where non-union men of other building trades are employed. The standard contract now stipulates:

[27] Art. III, par. 1, of the 1926–29 agreement. In substance this provision has been retained since 1915.

[28] Art. 14 of 1921–23 and 1923–26 agreements.

[29] *Ibid.*

This agreement shall not be construed to require the members of the party of the second part to work with non-union workers engaged in building construction, nor to work on any building or job for members of the party of the first part on any building or job for any firm or person having construction work done in Cook County by non-union workmen, provided the union of the trade in which non-union men are working is a member of the Chicago Building Trades Council.[30]

Violations of the Uniform Agreement by officers or members of either unions or employers' associations subjected the offenders to fines varying during the early years of the agreement from fifty to two hundred dollars. In the revised contract adopted in 1926, fines for individuals were set at from fifty to two hundred and fifty dollars, and those for associations or unions at from five hundred to fifteen hundred dollars. The president of the association or union to which the offending member belonged has been responsible for the collection of fines, which are now paid directly by the offender to the injured party, although before 1926 fines were paid into the treasury of the Joint Arbitration Board, where they were retained until the end of the year, when an equal division of assets between the union and association took place.[31]

Variations from the Uniform Form.—There never has been a time when all unions have adopted the Uniform Form of Agreement in its entirety. In 1915 the Hod Carriers, the Bricklayers (in their agreements with the Masons and Builders and Sewer Builders), the Painters, the Asphalt Teamsters, the Hoisting Engineers, the Plasterers, the Marble Setters, the Machinery Movers, and the Lathers signed three-year contracts involving greater or less variations from the standard form. The failure to incorporate the agreement was not, however, always the fault of the unions. The Bricklayers incorporated the Uniform Form

[30] Art. 3 of 1925–29 agreement.

[31] Art. 19 of the 1926–29 agreement. Art. 15 of the agreements for earlier years.

in their agreement with the Fireproofing Contractors, but the Masons and Builders, who were not members of the Building Construction Employers' Association, not represented on the Joint Conference Board, and not in any way bound by the action of the Building Construction Employers' Association and Joint Conference Board, apparently had little interest in seeing the standard contract adopted throughout the industry. These employers rather than the Bricklayers' Union were responsible for the failure to adopt the new contract in this trade. The Hod Carriers' agreement of 1915 contained clauses that embodied, in a little different language, most of the cardinal principles, including the prohibition of any restrictions on the use of non-union materials and the no-strike and compulsory arbitration clauses. In 1918 the Carpenters joined the dissenters, their agreement of that year, as already indicated, giving them the absolute right to restrict non-union as well as prison-made materials. After 1921 fourteen of the unions worked without agreements as a result of their trades having been declared "open shop" by the Citizens Committee,[32] and the only unions having agreements on any basis other than that of the Uniform Form between 1921 and 1926 were the Bricklayers, Hod Carriers, Journeymen Stone Cutters, Stone Derrickmen, and Teamsters. The last-named has not been a member of the Building Trades Council, while the others have had agreements with the Associated Builders.[33] The presence of this rival employers' association has been an unhappy factor in the development of uniformity in contractual relations.[34]

[32] See chaps. xii and xiii.

[33] The Associated Builders, a new central employers' association, formed as a rival of the B.C.E.A. in 1920 (see the following chapter).

[34] This list of dissenters does not give an adequate idea of the early and subsequent opposition to the Uniform Form of Agreement, however. The Sheet Metal Workers were without an agreement for some time as a result of their ex-

The chief opposition to the Uniform Form of Agreement has come as a result of the no-strike, compulsory arbitration, and no restriction of materials provisions. The recognition of the Joint Conference Board and the obligation to be governed by its decisions were also sources of annoyance to the objectors, largely because in this recognition there was involved a promise to forfeit the right to strike before, during, or after an arbitration. Encouragement by the presidents of the international unions and by Mr. Gompers, who believed the agreement contrary to the constitutions of the internationals, undoubtedly has accentuated the opposition of the anti-agreement unions. Some of the non-uniform contracts that have been made merit a little consideration, for they are indicative of the conditions and union objectives that have hindered complete uniformity of agreement.

The Painters in 1915, after a strike occasioned by their opposition to the standard contract,[35] accepted what the employers called a "modified uniform agreement"—but it was extremely modified. There was neither mention of nor agreement to recognize the Joint Conference Board. Employers were to employ none but members of the Painters' District Council, the unions succeeding in excluding even the provision that in case of scarcity of workers the employers might hire members of the same international if such workers were subject to the rules and control of the local. The cardinal principles did not appear in the Painters' agreement, nor was anything said about the use of materials. The sympathetic strike was given definite sanction by the provision: "A sympathetic strike when ordered by Paint-

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pulsion from the Building Trades Council, while the Glaziers, another important opponent of the Uniform Form, had no 1915 agreement. Although the Carpenters accepted the agreement with its cardinal principles in 1915, they did so only as a result of a compromise strike settlement in which they were granted an increase in wages.

[35] See the following chapter.

ers' District Council No. 14 shall not constitute a violation of this agreement." The no-strike provision of the Uniform Form was repudiated by the section reading "This agreement shall not take away the power of Painters' District Council No. 14 to call a strike on any shop for any reason that may appear to Painters' District Council No. 14 to be just." The Board of Business Agents of the District Council was given the power to appoint shop and job stewards from among the men employed in the shop for the enforcement of the working rules and decisions of the Painters' District Council. The employer was given the right to employ one apprentice provided he had employed five men for the previous six months, and one additional apprentice when twenty journeymen were employed.

Other non-uniform agreements have indicated the same objections to the standard form in various branches of the industry. The Lathers' agreement in 1915 set up a machinery of arbitration within the trade, although there was no agreement to be bound by the decisions of the Joint Conference Board. Unrestricted use of tools and machinery was allowed, while the third cardinal principle, providing for unrestricted use of materials except prison-made, was adopted in substance. The foreman was to be the agent of the employer, but he was to be a member of Local No. 75 of Wood, Wire, and Metal Lathers' International Union. The use of "one apprentice" for each employer was not prohibited. Each man was to "do a fair and honest day's work." The Machinery Movers' agreement provided that when the union was unable to furnish men the employer might hire any workers, even though they were not members of the international union. The jurisdiction of Mr. Artery's Machinery Movers was not to stop with the limits of Cook County, as specified in the Uniform Form of Agreement, but was to include "a radius of sixty miles from the city hall of Chicago."

The Machinery Movers finally adopted the standard agreement in 1921. In the agreements of the Hod Carriers and Bricklayers one finds little that differs fundamentally from the Uniform Form; the fact that these unions made their agreements with the Masons and Builders, not with Building Construction Employers' Association members, was the chief reason for the variance. Agreements of both the Bricklayers and Hod Carriers have provided for what might more properly be called a "preferential" rather than a "closed" shop, the employers being at liberty to employ any laborers or mechanics they saw fit under the stipulation that preference be given the parties to the agreement. There was no provision in either of these agreements that workers obtained when the union was unable to furnish them should be members of the same international, nor was there the provision that others than members of the union were to be employed only until the union could obtain competent men. Except for its omission of recognition of the Joint Conference Board, the Plasterers' agreement involved no basic variations from the standard form.

CHAPTER VII

INDUSTRIAL RELATIONS UNDER THE STANDARD AGREEMENT

The ability of the Building Trades Council to hold its members in line was again challenged—more rudely than ever before—when the Uniform Form of Agreement was adopted in January, 1915. Immediately upon its ratification by the Council, the Lathers, Machinists, Glaziers, Carpenters, and Painters announced their opposition; a number of anonymous circulars attacking Mr. O'Donnell and his subordinates in the Council as "union wreckers" were circulated; and predictions were made that the Council would disband within two weeks. The Lathers insisted that their employers sign individual agreements with the union, and finally they persuaded the Plasterers to join them in their opposition to the standard contract.[1] When the Lathers refused to sign a collective agreement on the basis of the Uniform Form, the union was expelled from the Council. The Painters went on strike on April 1, 1915, demanding individual agreements, and the employers organized a new union having, at one time, a membership of seven hundred.[2] The Glaziers, whose union has always been affiliated with the Painters' District Council, went out in sympathy, as did the Machinists. The Carpenters struck for a wage increase of five cents an hour and the

[1] The Plasterers finally returned to work after a special committee consisting of Judges Newcomer, Gemmill, and Sullivan decided that they had violated their agreement by leaving work at the instigation of the Lathers.

[2] Not large enough to provide formidable opposition to the regular painters' unions, since the Painters and Decorators District Council had, at that time, a membership of about 12,000.

right to refuse to work on non-union materials. A little later the Sheet Metal Workers, already expelled from the Council because of their refusal to recognize the Joint Conference Board,[3] struck on practically every job in the city.

American Federation of Labor intervention.—Opposition of these unions to the new standard agreement finally forced the intervention of the American Federation of Labor. President Gompers, Thomas Williams (then president of the Building Trades Department), and the international presidents of the unions opposed to the new agreement came to Chicago in an effort to quiet the maelstrom and, if possible, secure some changes in the new agreement that would bring it a little more into harmony with the practices and by-laws of the Federation. In spite of the intervention of Mr. Gompers and the international presidents, however, no satisfactory compromise was reached on the Uniform Form of Agreement; the strikes continued, the inevitable violence resulted, and the governor of Illinois made a futile attempt to bring harmony among the warring factions. Immediately after the Lathers went on strike the Building Construction Employers' Association declared a lockout lasting from March 1 to July 17. At the time the Carpenters, Painters, Lathers, and Sheet Metal Workers were on strike some 30,000 men were directly affected, while a layoff of nearly 60,000 laborers and mechanics was necessitated.

Mr. Gompers, appearing in his frequent rôle of harmonizer, suggested that certain "mild modifications" be made in the new agreement in order that it might be acceptable to the protesting unions. The modifications proposed were too drastic for the contractors and the Building Trades Council, however, and not drastic enough for the anti-agreement unions. The matter went to the Executive Council of the American Federation of Labor, and finally the Chicago Building Trades Council was ordered

[3] *Ante*, p. 73.

to abrogate its agreement and abolish the Joint Conference Board under penalty of expulsion from the Federation. Mr. O'Donnell and the other officers of the Council decided to "call the hand" of the American Federation of Labor. The Council took no notice of the order, nor was it expelled from the Federation. The question of expulsion was never raised again.

While the Gompers negotiations were in progress, the strikes had been settled upon the usual compromise basis. The Building Construction Employers' Association and the Lathers' Union made an agreement ending the lockout, on July 17, 1915, this agreement providing for an elimination of the sympathetic strike, a recognition of the cardinal principles, and an increase in wages. The Painters' agreement provided for a machinery of arbitration virtually the same as that set up in the Uniform Agreement, but it definitely stated the right of the business agent to call workers out on sympathetic strike and involved no mention of the cardinal principles. The president of the Building Construction Employers' Association, intervening in the Carpenters strike,[4] induced the contractors to pay the wage increase demanded by the men, and at the same time prevented any modification of the much-controverted Article 3 of the principles upon which the agreement was based. The Sheet Metal Workers returned to work under an agreement with their contractors that was approved by the Building Construction Employers' Association, and non-union materials continued to be taboo in this trade. The Building Construction Employers' Association threatened to expell the Sheet Metal Contractors' Association when it showed an apparent disposition to side with the union in the matter of exclusion of non-union materials, but it never made good this

[4] Although the Carpenter Contractors' Council was not then, and never has been, affiliated as an organization with the B.C.E.A. Mr. Gindele, president of the B.C.E.A., intervened because the strike of the Carpenters necessitated laying off of mechanics in practically every other trade.

threat. The contractors were allowed to continue their arrangement with the union by unwritten law if not by formal agreement, and the union remained out of the Building Trades Council until 1920.

Both the Building Trades Council and the Building Construction Employers' Association weathered the storms of 1915 as successfully as might have been expected. The Council lost the support of the Lathers, Sheet Metal Workers, and Machinists; the Carpenters were only waiting for the opportunity which came in 1918 openly to repudiate the obnoxious Article 3; the Painters and others had insisted upon modifications in the joint agreements which the contractors and Council were forced to allow. At the same time, the Council had proved its superiority to the American Federation of Labor so far as the matter of who should shape agreements and determine the scheme of arbitration in the Chicago market was concerned. In spite of the turmoil of 1915, the Council was stronger at the end of that year than at any time before or after. Likewise, the victories of the Building Construction Employers' Association had been qualified. The inability of the Association to hold all its members to a rigid acceptance of the agreement showed that it could not go much farther than the trade association and individual members wished it to go. The agreements of both the Lathers and Painters were compromises; the Sheet Metal Contractors practically defied the central Association; while it was evident that a growing minority of the members of the Carpenter Contractors Association (not affiliated with the Building Construction Employers' Association) were disposed to repudiate the third cardinal principle. But regardless of the fact that the Building Construction Employers' Association was not able completely to control its membership or induce all to accept the standard agreement, it was rapidly bringing about a uniformity of trade conditions and an elimination of the sympathetic strike.

The turmoil of 1915 was followed by a year of comparative peace, practically the only dispute of any consequence in 1916 being in the plastering trade. On September 3 of that year Local No. 5 declared its agreement with the employers had been abrogated by the action of the union. The Building Construction Employers' Association declared a lockout, but the order was never enforced. The matter dragged until January, 1917, when an agreement incorporating a majority of the standard form provisions was adopted.

The war period.—Little opportunity for advantageous strikes was presented during 1917 and 1918, when the war almost completely demoralized the building industry. On July 2 of the former year the Electricians, under the leadership of Mike Boyle, one of Skinny Madden's old lieutenants and perhaps the most versatile man in the Chicago labor movement, went on strike for a wage rate of $7.00 a day, although the agreement at $6.50 still had nearly a year to run. In this strike another weakness of the Building Construction Employers' Association was evidenced—the fact that the member associations, in some instances, included little more than 50 per cent of the contractors in a particular trade.[5] The electrical contractors were backed by the central association and were instructed not to concede any increase in wages. The union, on the other hand, had almost unanimous support from the contractors outside the Electrical Contractors' Association, and had little difficulty in signing wage agreements with the independents upon a seven-dollars-a-day basis. A lockout was ordered by the Building Construction Employers' Association, the order was rescinded, and then it was reissued. Those electrical contractors who were represented members of the Building Construction Employers' Association laid off all electrical workers; but the settlement was anoth-

[5] A weakness that was apparent in a number of trades during the lockout of 1919 (see p. 102).

er compromise, the Electricians being granted their increase but signing up under terms of the Uniform Form of Agreement.[6]

Building-trades workers suffered as much as any other wage-earning group, perhaps, as a result of the war.[7] The workers and employers in 1918 formed a co-operative organization to protect themselves against the demoralizing conditions of the war, President Gindele, of the Building Construction Employers' Association, President O'Donnell, of the Building Trades Council, and Tom Carey, a brick manufacturer, being the originators of the movement, but there is no evidence that the scheme ever had the slightest influence on conditions in the building industry. Wage scales agreed upon in 1918 were the last "differentials" before the arbitration of 1921, and involved increases of from three to five cents an hour; but the building-trades workers were not then profiting by the general increase in wages over the country which began in 1918 after the notorious lag of wages behind the increase in the cost of living up to the end of 1917. Owing to the practical suspension of building, thousands of the Chicago mechanics were walking the streets looking for work. The lag of wages in the building trades behind the general rate of wages, the slight increase in construction work in Chicago toward the very end of the war, and the soaring cost of living were responsible for the general lockout of 1919—the first caused solely by wage disagreements.

The 1919 lockout.—The Carpenters took the lead in demanding wage increases in 1919. Under the 1918 agreements all "outside carpenters" (all except the mill workers) had been

[6] Since 1917 the renowned Michael J. Boyle has been one of the most eloquent proponents of the Uniform Form of Agreement. His position during the trying days following the Landis arbitration in 1921 (see chaps. xii and xiii) was that the standard agreement was eminently fair, and that unions must keep their contracts.

[7] Wages, money and real, are summarized on pp. 110–14.

granted eighty cents an hour, but when the Arbitration Committee met in February, 1919, to fix the wage rate for the period from May 31, 1919, to May 31, 1920, the Carpenters demanded eight dollars for the eight-hour day. The contractors offered ninety-two and one-half cents an hour, and the matter dragged until the expiration of the agreements on May 31. Other trades joined in the demand for a uniform rate of a dollar, and on July 17, 1919, the Building Construction Employers' Association ordered a general lockout of all building-trades workers unless the striking Carpenters, Laborers, and Structural Ironworkers returned to work immediately.

Practically all the independent contractors were, naturally, willing to pay the union men a dollar an hour while their organized competitors were unable to get labor. As a result, the Building Construction Employers' Association, three days after the lockout commenced, brought pressure upon the materials men not to sell to the independent contractors. In retaliation the attorney for the Carpenters' District Council, Hope Thompson, swore out warrants charging both the materials men and some of the leading members of the Building Construction Employers' Association and Masons and Builders Association with conspiracy to boycott and blacklist and with the formation of a trust in restraint of trade.[8]

The lockout dragged on until September. President O'Donnell, of the Building Trades Council, went to Washington to en-

[8] The defendants eventually were acquitted, although the case, according to the testimony of a representative of the B.C.E.A. before the Dailey Commission in 1921, cost the Association nearly $60,000. The viewpoint of the B.C.E.A. upon its right to cut off the supplies of independent contractors was given by Mr. Craig in a newspaper interview at that time: "Why shouldn't the independent contractor suffer? He has let the good Indians fight his battles for him in the past. . . . . You can't get anything done in this country unless you are organized. . . . . The contractors should be organized and the laboring men should be unionized. The independents wouldn't have given the Carpenters a dollar an hour if they had been organized" (*Chicago Daily News*, July 21, 1919).

list federal aid; Mayor Thompson attempted to use his good offices in effecting a settlement; and Secretary of Labor Wilson sent two federal mediators to Chicago. After a conference with federal mediators, the Carpenters agreed to return to work at ninety-two and one-half cents an hour until May, 1920, when they were to be placed upon the same wage level as might then obtain in the other skilled trades. In fact, however, a number of the locals held out for a dollar an hour in spite of this agreement, and in November practically all the contractors began paying what the Carpenters had demanded. Contractors in other trades also began paying a dollar an hour shortly after the lockout ended, and in May, 1920, granted a horizontal wage of $1.25 an hour for practically all the skilled trades.[9]

A new employers' association.—Although the Building Construction Employers' Association always suffered because two powerful trade associations—the Masons and Builders Association and the Carpenter Contractors Council—were not affiliated with it, there was no decided rivalry on the employers' side until almost the end of the 1911–21 decade. As a result of the unchallenged position of the Building Construction Employers' Association on the contractors' side, the power of the strong Building Trades Council was checked and a balance of power was, for the most part, maintained. The first step away from this condition of concentrated control on both sides—a step that was, in a sense, a forerunner of the events that were to follow 1921—came in the formation in 1920 of a rival central employers' association, the Associated Builders of Chicago.

Several factors entered into the formation of the new Associated Builders. It will be remembered that the Masons and

[9] Although this anticipates the chronology of the story a trifle, it is worth remembering that it was this horizontal wage of $1.25 an hour, granted in 1920, that was the immediate cause of the Landis arbitration in 1921, the subsequent splitting of the Building Trades Council, the appearance of the Citizens' Committee, and the placing of some of the strongest trades upon an open-shop basis.

Builders Association never joined the Building Construction Employers' Association as did its 1906 offspring, the Builders Association. The Carpenter Contractors Council, also, held aloof, although some of its members joined the Building Construction Employers' Association as individuals. The fact that concrete had taken such a large part in building operations during the ten years before 1920 gave these two groups interests in common, for the services of the Carpenters were required first to set the work and then those of the Masons and Laborers to fill in the concrete. Doubtless this technological change was one factor explaining the affiliation of the Carpenter Contractors Council and the Masons and Builders Association as the nucleus of the Associated Builders. The Building Construction Employers' Association had long been anxious to bring about an affiliation of these two groups with it, and apparently the efforts of the secretary to bring about an amalgamation of the Carpenter Contractors and the Masons and Builders as a first step toward bringing both into the Building Construction Employers' Association eventually led not to the uniting of all employing groups, but rather to the formation of a rival association. Pressure upon the Masons and Builders and the Carpenter Contractors to amalgamate and then join the Building Construction Employers' Association did result in their agreeing upon a joint consolidation. But when this first step had been taken they yielded to pressure from another direction, and instead of affiliating with the Building Construction Employers' Association they set up a rival organization.[10] Possibly the change of policy on the part of the Carpenter Contractors in regard to the use of non-union materials was another factor hastening the formation of a rival central body. Prior to 1918 the Carpenter Contractors had consistently voted down any change in Article 3 of the cardinal

[10] Conversation with an official of the B.C.E.A., February 15, 1924.

principles, prohibiting restrictions upon non-union materials, in spite of pressure from both the millmen and the unions. They adopted the Uniform Form of Agreement in 1915, when their strikes were settled by intervention of the president of the Building Construction Employers' Association, although they were not members of the central association which had promulgated the agreement. It is fairly clear that the change of policy on the part of the Carpenter Contractors Association came at the instigation of Division G of the Lumbermen's Association of Chicago, the millmen's division. The mill-owners apparently offered the inside carpenters an increase in wages if they would agree to the change (which they were, in fact, only too willing to do), while they offered the members of the Carpenter Contractors Association a trade reduction if an agreement restricting non-union materials were inserted into the agreement with the unions. In spite of this offer, the Carpenter Contractors voted down the change twice, but it finally was passed at a meeting in 1918.[11] When the Carpenter Contractors took this step they in fact declared their opposition to the cardinal principles of the Building Construction Employers' Association, and the resulting antagonism coupled with the pressure of technological change which was making their interests more in common with those of the Masons and Builders finally resulted in the formation of a rival association.

The Associated Builders of Chicago has claimed a membership of 850, a majority of these being general contractors.[12] According to its constitution, it has been a non-profit organization, deriving its revenue from a percentage payment by members on

[11] Testimony before the Dailey Investigating Commission in 1921.

[12] An officer told the writer in 1923 that the membership has included 350 members of the Masons and Builders Association, 40 members of the Cut Stone Contractors Association, 15 Granite Cutters, and the remainder general contractors and the members of the former Carpenter Contractors Association.

the amount of work done, concerned in dealing with labor disputes, and opposed to any practices of "price fixing." After 1921 the Associated Builders was professedly "100 per cent Landis" on the question of employing members of the unions which refused to accept the award of the arbitrator that year.[13] The only defection of an association member from the Building Construction Employers' Association as a result of the formation of the rival association was that of the Cut Stone and Stone Setting Association, which withdrew immediately after the affiliation of the Carpenter Contractors Council and the Masons and Builders Association in 1920. Several of the general contractors affiliated with the Building Construction Employers' Association through the Builders Association, however, joined the new organization.

While no group of building contractors in Chicago has been willing to go on record as being violently anti-union or pro-open shop, the attitude of the Associated Builders has been distinctly less favorable to contractual relations with the unions than has that of the Building Construction Employers' Association. It has not had a joint agreement with the Building Trades Council, and some of its members have professed contempt for the Uniform Form of Agreement. It has not recognized the Joint Conference Board.[14] It has, however, been outspoken in its condemnation of the unions which have admittedly been only awaiting an opportunity to put into operation once more the restrictions upon non-union materials.[15] Although it has not accepted the

[13] See chaps. xii and xiii.

[14] An officer of the Associated Builders told the writer: "That Joint Conference Board is a joke. It is a gossiping society. They sit around and talk and don't get anything done. When we are unable to adjust jurisdictional disputes they go directly to the National Board of Jurisdictional awards."

[15] In spite of the fact that the Carpenter Contractors, who formed the nucleus of the Associated Builders, were the ones who agreed to exclude non-union materials in 1918.

Uniform Form of Agreement, the Associated Builders has had agreements with the Bricklayers and Stone Masons Union No. 21, the Stone Cutters Union, the Stone Derrickmen's Union No. 6721, and the Hod Carriers and Building Laborers Executive Council; and in some of these agreements the eight cardinal principles and the same machinery of arbitration within the trade that has been part of the Uniform Form have been included. Virtually the only differences have been that the Associated Builders' agreements have contained neither mention of nor agreement to recognize the Joint Conference Board, and that jurisdictional disputes which could not be settled satisfactorily in the individual trades have gone directly to the National Board of Jurisdictional Awards.

The rivalry of the two groups of contractors since 1920 has been unfortunate for members of each association. The splitting of the Building Trades Council, discussed in Part III of this volume, and the appearance of a committee representing financial and commercial interests divorced from any direct connection with construction work brought, from the viewpoint of the contractor, an unusual demand for unified control. The building boom of 1922–27 played into the hands of independent contractors, who were able to hire members of the various "outlaw" unions under terms and conditions contrary to those established by the arbitrator for the members of the two employers associations.[16] This situation brought considerable propaganda for a "united employers' association," and it also brought a movement on the part of independent contractors for the formation of a third association. From the viewpoint of contractors now members of either the Building Construction Employers' Association or the Associated Builders the appearance of a third association would be, perhaps, the most discouraging development in some time.

[16] See chaps. xii and xiii.

Contractual relations: successes and shortcomings.—An attempt to appraise, even in a qualified and preliminary manner, the kind of industrial relations obtaining in the Chicago building market up to 1921 necessitates a reiteration of the essential issues into which an appraisal of this nature seems to resolve itself. Earlier in this section certain questions were raised. How did this kind of collective bargaining work out? What does a comparison of 1920 conditions with those of 1900 or 1911 show had been gained? Were contractual relations between employers and workers put upon a more stable basis? What contribution had been made toward a code of industrial relations? After all, is strong organization on both sides the best approach toward a solution of the many problems that one may hope for? What were the forces interfering with the effective utilization of labor power? Were proper steps taken toward eradicating these forces? Some of these questions involve a consideration in detail of special problems that have been little more than mentioned in the preceding pages, and to attempt final answers at this point would be futile; but at the same time the merry story of strikes and lockouts since the eighteen-nineties cannot but be indicative of what was accomplished by organized workers and organized employers working both against each other and together.

Decided progress toward eliminating the jurisdictional dispute—probably the major force interfering with the effective utilization of labor power—had been made by 1921, and it is possible that in an account of industrial relations in the Chicago building trades written twenty years hence, jurisdictional disputes would rank fourth or fifth instead of first in an enumeration of the sources of difficulty. The most important fact, of course, is that machinery was set up to settle such controversies, which today is probably in a better position to function effectively than it was in 1921, and that a majority of the unions and

all but a very few employer groups manifested a sincere disposition to abide by the decision of the boards. Neither the Joint Conference Board nor the National Board of Jurisdictional Awards was able before 1921, or between 1921 and 1927, entirely to eliminate the jurisdictional dispute and the opportunity it gives the not too scrupulous business agent to collect "strike insurance." Not all the unions at any time acquiesced in the decisions of these boards. Withdrawal of the Carpenters from the Building Trades Department of the American Federation of Labor has been a handicap under which the machinery of jurisdictional adjudication has had to labor since 1920. Prior to the establishment of the National Board, the local Joint Conference body rendered some thirty-nine decisions on jurisdiction of work, while the National Board, after its organization in 1919, rendered some fifty-odd decisions.[17] These decisions have covered virtually all the unsettled questions of jurisdiction that made possible so many stoppages and strikes between 1901 and 1915; they have been at least a step in the direction of establishing that part of a common law of industry which must deal with jurisdictional troubles in the construction trades.

Nor were the struggles futile so far as the establishment of certain principles and rules, a code of industrial relations, was concerned. The principles for which the contractors fought in 1900 and which were then opposed by all the unions were accepted during the 1911–21 decade by a majority of the unions, if not by unions representing a majority of the workers; and they were, after 1915, incorporated into a standard agreement between the Building Trades Council and the central employers' association. What was bitterly opposed by all unions at the be-

[17] Some of these decisions were rendered, of course, after the period ending in 1921, with which the present section is concerned; but the National Board was just commencing its work in 1921 and the decisions rendered since should be considered products of the work toward eliminating the jurisdictional dispute that was made up to 1921.

ginning of the twentieth century was regarded by the more conservative labor leaders in 1921 as a fair code of industrial relations.[18] The fact that many of the international unions had constitutional provisions contrary to the agreement clauses which their Chicago locals were asked to accept was, of course, a force operating against a general acceptance of these principles. At the same time, one has only to compare conditions of 1897 with those of 1920 to realize the extent to which rules pertaining to the use of non-union materials, the right of the employer to hire and discharge whom he wishes, limitations on output, limitations on the use of machinery, the agency of the foreman, the use of apprentices, and the compulsory submission of disputes to an arbitration body had been accepted by both sides.

Wages have been more important as a cause of strikes and lockouts since the war advance in prices than during the earlier years. Although the hourly and daily wage rates of building-trades workers have generally been high as compared with those of other industrial groups, it cannot be said that these unionists obtained a much greater portion of the increased productivity of industry during the twenty years after 1900 than did other groups of wage-earners. The average number of working days for building-trades workers is considerably less than that for workers in many other industries, and hourly or daily wage rates often give an erroneous impression of the material progress of these artisans.[19] During a period when the industry is almost

[18] Mr. Edward Ryan, when president of the Building Trades Council, told the writer that he believes the principles incorporated in the Uniform Form of Agreement are entirely fair, and that he regards the document as the biggest single factor in preventing strikes.

[19] Data presented to Judge Landis in 1921 and agreed to in substance by both contractors and unions showed that the average number of working days in typical building trades is as follows: Bricklayers, 146 to 189; Structural Ironworkers, 146 to 180; Lathers, 175; Electricians, 185 to 190; Cement Finishers, 180. The committee appointed by the President's Conference on Unemployment found that three-fourths of a year is average working time for all trades in the country

stagnant, as it was during 1917 and 1918, a much higher hourly rate of wages than the building-trades workers were actually receiving would not necessarily indicate that they were holding their own in comparison with other industrial groups. So far as the matter of wages in general is concerned, it can be said that the Chicago building-trades unionists little more than held their own in comparison with other industrial groups prior to the war, that during the war they lost both relatively and absolutely, and that after 1919 they again made both absolute and relative gains. In 1897 the Bricklayers, Stone Cutters, Plasterers, Hoisting Engineers, Plumbers, Steamfitters, Gasfitters, and Tile Setters received fifty cents an hour, the Structural Ironworkers, forty-five cents, the Marble Setters, forty-four cents, and the Laborers, twenty-five cents. When the agreements of the 1903–6 period were signed the trades received a general increase of from eight to ten cents an hour, the rate of the Bricklayers then being sixty cents, that of the Plasterers fifty-six and a half, and that of the Carpenters fifty cents. In 1906 wages for the skilled trades ranged from sixty-two to sixty-five cents, and in 1909 from sixty-five to sixty-eight cents. These wage increases were almost proportionate to the rise in the general price level.[20] After the strikes of 1912 the Lathers received seventy-six cents, the Carpenters sixty cents, the Bricklayers seventy-two cents, and the Ironworkers seventy cents. The Carpenters were granted an increase to seventy cents in 1915, the Lathers went on working at seventy-six cents, and the Steamfitters received seventy-five cents. When the wage scales of 1918, the last differentials before the Landis

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as a whole. (See *Seasonal Operation in the Construction Industry,* p. 1.) The data of the New York State Bureau of Labor Statistics show that before the war, in trades for which figures were secured, the amount of unemployment in the whole state was 26.5 per cent.

[20] Taking the 1913 price level as 100, the level in 1907 was approximately 82 and in 1909 approximately 89. These wage increases were therefore about in proportion to the increase in the cost of living.

award, were agreed upon the following rates were established: Cement Finishers, seventy-seven cents; Structural Ironworkers, eighty-seven cents; Architectural Ironworkers, eighty cents; Hod Carriers, fifty-six cents; Stone Cutters, eighty-one cents; Bricklayers, $1.27½; Stone Masons, $1.25; Electrical Workers, $6.50 a day; Painters, seventy-five cents; Teamsters, $5.00 to $6.50 a day; Portable Engineers, $1.25 an hour; Gravel and Composition Roofers, seventy-seven to eighty-seven cents; Dock Work Carpenters, eighty cents; Plasterers, seventy-seven to eighty-seven cents; Plumbers, eighty-one cents; Mosaic Tile Layers, seventy-five cents; Asbestos Workers, seventy-six cents; Marble Setters, seventy-two cents; Machinery Movers, eighty-two cents; Lathers, eighty-one cents; Drain Layers, $5.50 a day; Cement Finishers, eighty-one cents; Granite Layers, seventy-five cents; and Gasfitters, $6.50 a day. A rough weighting of these wage rates in accordance with the number of men in each trade shows that money wages increased about 35 per cent between 1913 and 1918. During the same period the cost of living increased approximately 74 per cent.[21] The decline in hourly real wages was greater than that for many of the other industrial groups which were suffering because wages lagged during the early part of the war behind the increase in the cost of living, and in addition the building-trades workers were suffering from unemployment while many other wage-earners were able to recoup their declining real wages by overtime employment at double or one-and-a-half times the regular rate of pay. In all probability hourly real wages of the majority of wage-earners in manufacturing and mining were lower in 1918 than they had

[21] The Bureau of Labor Statistics index figures on the cost of living were 100 in 1913 and 174 in December, 1918. This figure is, of course, for the country as a whole, and the cost of living in Chicago averaged somewhat higher than throughout the United States generally; but relative changes were approximately the same.

been in 1913, but it is not so certain that their real average earnings were lower.[22] To many wage-earners the war brought full-time employment and the opportunity to work overtime at double pay, but to the Chicago building-trades workers it brought widespread unemployment as well as a greater decline in hourly real wages than was suffered by the majority of wage-earners.

In 1920, after the post-war revival of building had set in, the horizontal wage scale of $1.25 an hour was granted and the workers began to regain part of what they had lost, both absolutely and in relation to other groups of wage-earners. Yet an analysis of hourly real wages shows that the workers did not have the purchasing power in 1920 that they had had in 1913, in spite of the fact that hourly real wages were higher in 1920 than they were in 1918;[23] and only when prices had dropped in the early months of 1921 (when wages were still $1.25 an hour) did they have a higher real wage than in 1913. A weighted average of money wages for the skilled trades in 1913, when the Carpenters were receiving sixty cents, the Bricklayers seventy-two, the Lathers seventy-six, and the Ironworkers seventy, indicates that the average wage then being received, when allowance is made for the varying number of men in the various trades, was sixty-four cents an hour. The price level can again be taken as 100 for 1913.[24] In 1920 the same index figure on the cost of living

[22] For studies of the trend of real wages throughout industry in general see Paul H. Douglas, *Supplement* to the *American Economic Review,* March, 1926; George Soule, *American Economic Review,* March, 1923; and Alvin Hansen, *ibid.,* March, 1925.

[23] The granting of the horizontal wage scale of $1.25 an hour in 1920 meant that money wages were approximately 50 per cent higher than they had been in 1918. Between 1918 and June, 1920, prices increased approximately 26 per cent. Hence real wages, on the hourly basis, were higher in 1920 than they had been in 1918, although still below the 1913 level.

[24] And again following again the Bureau of Labor Statistics index figure on the cost of living.

showed that prices were approximately 216 for the month immediately following the granting of the horizontal wage of $1.25 an hour. In other words, between 1913 and 1920 money wages slightly less than doubled while prices increased 116 per cent. By 1921, on the other hand, real wages were above the 1913 level, and the abundance of employment which the building boom occasioned, while the depression was causing unemployment among other groups, meant that the Chicago construction workers not only were absolutely a little better off in regard to real wages, but that they had again gained in comparison with other groups of wage-earners. On the 1913 basis of 100, prices which had been 216 in 1920 were approximately 176 in 1921—while wages were still $1.25 an hour or approximately double the 1913 amount. The change from a 15 per cent loss in 1920 to nearly a 20 per cent gain in 1921 came, of course, as a result of the fact that the workers retained the horizontal wage of $1.25 an hour until the arbitration proceedings of 1921, during a period of rapidly declining prices. In spite of the war losses, then, the year 1921 found the building-trades workers of Chicago a little more than holding their own in regard to real wages. A comparison of the condition of the Chicago craftsmen in regard to that other basic matter in which "business unions" are interested, hours of work, with the condition of workers in other industries points to a more positive gain. The eight-hour day was granted them even before the lockout of 1900, and the forty-four-hour week had become a fact by 1910. But in 1909 only 7 per cent of the wage-earners in manufacturing and mining in the United States were working less than forty-nine hours, and only 11 per cent in 1914. It was not until 1919 that something more than 48 per cent of the industrial wage-earners in the United States had secured the eight-hour day that the building workers had enjoyed for more than twenty years.[25]

[25] *Statistical Abstract of the United States* (1921), p. 343.

The foregoing discussion of what had been the results of collective dealing in the Chicago building trades up to 1921 regarding the general matters of elimination of the jurisdictional dispute, establishment of certain principles of industrial relations, and the trend of wages and hours implies an answer to at least two of the other questions that have been raised: Was the Chicago construction industry on a more stable basis in 1921 as a result of the kind of contractual relations obtaining after 1913? Do the results indicate that a régime of strong organization on each side is, all things considered, the most satisfactory?

There can be little question that industrial relations were on a more stable basis at the end of 1920 than they had been at any time prior to 1911. By the end of the former year there was at least a machinery of adjustment throughout the entire market, fairly uniform among all the trades. With the acceptance of the standard agreement the gap between the employers' concept of a fair basis of industrial relations and the concept of the organized workers was less wide than it had been at any time before the period, 1911–1921, which first witnessed contractual relations based upon approximately equal strength on the two sides. The new arbitration machinery, the standard agreement, the steps toward an elimination of the jurisdictional dispute, the acceptance of certain broad principles in the code of industrial relations, the material advance—by the end of the period—in the conditions of the workers were all products of the decade when both sides were strongly organized. To say that strong organization on both sides is the best basis for industrial relations is to eliminate upon a priori grounds any one of a number of bases that have not been tried. But the account of events from 1911 to 1921 unmistakably indicates that so far as the matters discussed in the preceding paragraphs are concerned, the system of a balance of power was preferable to the system of disorgani-

zation on both sides that prevailed from 1901 to 1911 or to the system of strong organization on one side and almost total lack of organization on the other that obtained before 1900.

Not all the developments up to 1921, however, pointed to such a favorable appraisal of the kind of contractual relations that had obtained. The collective bargaining provided for under the Uniform Form of Agreement did not produce as satisfactory results as might have been expected, perhaps, in view of the results that have been secured in other industries. Neither the unions nor the employers obeyed the decisions of the arbitration bodies in all cases, and the sympathetic strike had not been eliminated by 1921. Stoppages, also, were not entirely eliminated,[26] although their number was reduced appreciably. And in addition, certain special problems were becoming more acute as the 1911–21 decade drew to a close. Protected by strong organization on both sides, a range of monopolistic combinations between organized employers and organized workers had emerged in certain trades. Strikes had come to be settled on a monetary basis altogether too often. A number of uneconomic working rules, generally reacting to the advantage of the union but sometimes to the advantage of both union and employer at the expense of the building and renting public, had again grown up. These special problems, discussed in Part II of this volume, must be considered before one is in a position finally to appraise the industrial relations that have obtained.

[26] B.C.E.A. officials have estimated that stoppages had been reduced to about one-fourth the former number by 1921.

PART II

SPECIAL PROBLEMS

CHAPTER VIII

JURISDICTIONAL DISPUTES

Conflicts over territorial and trade jurisdiction, having their origin in both demarcation disputes and dual unionism, have been more frequent and bitter in the construction industry than in any other line of economic activity, and perhaps few building markets have witnessed so many and such prolonged struggles as has Chicago. Division of labor in the building industry is extremely minute, many distinct groups being employed simultaneously on the same product. Few industries have witnessed such rapid changes in materials and methods. Also, the prevalence of the craft form of organization and the fact that some of the trades really extend over into other industries increase the opportunity for unions to quarrel among themselves as to what work "belongs" to each. Finally, the control of the central body over its local unions has been much weaker than in many other industries. And as a result of the rapid growth of the city and the consequent building expansion, Chicago has suffered more from the jurisdictional dispute than almost any other urban center.

The Webbs have said: "It is no exaggeration to say that to competition among overlapping unions is to be attributed nine-tenths of the ineffectiveness of the trade union world."[1] While it is perhaps futile to weigh in a quantitative comparison the forces interfering with either the effectiveness of labor organization or the effective utilization of labor power, this statement of the importance of jurisdictional disputes throughout in-

[1] Sidney and Beatrice Webb, *History of Trade Unionism,* I, 121.

dustry in general is indicative of their importance in the industry in which they are most common. During the period prior to the establishment of the Joint Conference Board in Chicago, fully 75 per cent of the stoppages of work were due to the continual disagreements among various groups of craftsmen as to what work properly came within the province of each. But peaceful stoppages of work are only one of the consequences of the jurisdictional dispute. "Giving the work to the wrong craft" by an employer has frequently been the excuse for the collection of graft money,[2] and no negligible part of the violence in the Chicago building trades has been due to conflicts among union men over the right to certain kinds of work.

Antiquity of jurisdictional disputes.—Still ranking among the foremost of the special problems confronting industry though they do, jurisdictional disputes are as old as industry itself. The authors just quoted tell of a jurisdictional arbitration by the king as far back as the fourteenth century.

> The quarrels raged so fiercely between the London cordwainers and the cobblers from beyond the sea that the king in 1395 commanded John Freese . . . . "that it should be determined what of right to one party belonged and what of right to the other." . . . . It was decided that "no person who meddles old shoes to sell shall meddle new shoes to sell."

But this decision of the king, like some of the awards of the Chicago Joint Conference Board, did not settle the matter, and "it was followed a few years later by an order apportioning the work and giving the cobbler 'the clouting of old boots and old shoes with new leather upon the old soles, before and behind.' "[3]

The "why" of jurisdictional disputes.—"Jurisdiction" in the trade-union sense means the right of a certain group to control the terms and conditions of employment in a particular trade or

[2] See chap. xi.

[3] Webbs, *op. cit.*, II, 551.

territory.[4] Control of this kind is as essential to the existence of a union as the sovereignty of the state over its members is to the political government. Nor is it difficult to account for the jealous manner in which unions guard their jurisdiction. Throughout the industrial world there is a feeling on the part of the workers that the amount of work to go around at any time is limited. For one union to allow another to do a part of the work would mean that there would be correspondingly less for its own members. Also, unions hold rigidly if unconsciously to the doctrine of vested interests; there is the feeling that a certain kind of work belongs to each, and if technological change takes place the workers affected thereby have the right to demand the work upon substitute materials. The Carpenters, for instance, have consistently resisted the attempts of the Sheet Metal Workers and other specialists to claim the work once done by the Carpenters. Still another reason why unions guard their jurisdiction so carefully is the difference in wages commanded in the different trades. When the steel skyscraper took the place of the old jointed frame building, much of the reluctance on the part of the skilled workers to allow the Laborers to set the iron rods in the concrete base was due to the fact that wages of the Structural Ironworkers, who claimed the work, were higher than those of the Laborers. Finally, there is the fear that an overlapping of jurisdiction will result in training in a part of the trade a number of men whom employers can use to replace union men in the event of a strike.[5]

[4] For a detailed study of jurisdictional disputes throughout the construction industry of the United States see N. R. Whitney, *Johns Hopkins Studies,* XXXII, 1–183. The present writer's indebtedness to Dr. Whitney's study for certain terminology and for the national aspects of jurisdictional conflicts that have had their reflection in the Chicago market appears in the following pages. However, Dr. Whitney's admirable study was written in 1914, five years before the establishment of the National Board of Jurisdictional Awards and just as the Chicago Joint Conference Board was beginning to function.

[5] Cf. analysis in Whitney, *op. cit.*

The grounds upon which a union may claim a certain kind of work, overlapping in whole or in part the work of another union, are various. Probably the most frequent basis for claims has been that of the kind of materials used.[6] Naturally, the fact that with the constantly increasing subdivision of labor more groups come to use the same materials, while at the same time substitute materials are being introduced, tends to accentuate the number and severity of disputes between and among the unions concerned. The kind of tools used, the sanction of custom, the skill required, and the fact that the work replaces work theretofore done by the union or that it is most conveniently and economically performed in connection with the union's recognized work are all grounds for claiming jurisdiction over a certain kind of work.

Classification of jurisdictional claims and disputes.—In a study of jurisdictional disputes in a particular market there is perhaps little point in presenting elaborate definitions. The conventional classification of jurisdictional claims has been under the twofold heading of territorial and trade jurisdiction, while the disputes to which these claims often give rise are generally

[6] For instance, the following claims to jurisdiction on the basis of materials used were filed with the Building Trades Department of the A. F. of L. in 1923: "Bricklaying masonry shall consist of laying of bricks in, under, or upon any structure or form of work where bricks are used, whether in the ground or over its surface, or beneath water"; "Stonemasonry shall consist of laying all rubble work with or without mortar, setting all cut stone, marble, slate, or done with stucco, cement, and lime mortars or patent material." "Outside electrical workers shall have jurisdiction over . . . . aerial wires and cables on poles and from poles to buildings . . . . installing transformers and connecting secondary wires"; "The International Association of Bridge and Structural Iron Workers . . . . claims . . . . the erection and construction of all steel and cast structures, ornamental or otherwise" (*Proceedings of the Seventeenth Annual Convention of the Building Trades Department*). The Carpenters, before their expulsion from the Building Trades Department of the A. F. of L. in 1920 because of refusal to abide by the decisions of the Board of Jurisdictional Awards, claimed nearly all wood or substitute for wood.

denominated as those of demarcation and dual unionism. Territorial jurisdiction has little place in the present study. All of the locals claim such jurisdiction as "within a radius of sixty miles of the city hall of Chicago," "Cook and Lake Counties," "Cook County," and "The City of Chicago and vicinity." Trade jurisdiction, on the other hand, is simply the field of work over which a union claims exclusive control, regardless of territory. In actual practice, of course, territorial and trade jurisdiction go hand in hand, a claim over a certain kind of work generally meaning over that kind of work within a particular area.[7] A definite statement of trade jurisdiction is unusually important to construction-industry unions. In the first place, the similarity of work among several unions in an industry in which there is an extreme subdivision of labor means that others can easily claim the work on the basis of tools required, materials used, or custom. The first step toward preventing such encroachment is a clear statement by each union as to the jurisdiction which it claims. In the second place, the fact that many of the national unions really have within them several crafts—the Bricklayers, the Steamfitters, the Marble Workers, the Carpenters, and the Plumbers among others—has made especially necessary a clear definition of jurisdiction.[8] In the third place, every union is

[7] It is interesting to note how much more elaborate the statements of work claimed as trade jurisdiction have become with the changing technology of the construction industry. In 1886, five years after the formation of the Brotherhood of Carpenters and Joiners, the union found these words sufficient to state its trade-jurisdiction claims: "Those persons are eligible to membership who are competent carpenters and joiners, engaged in wood work, and also any stair builder, millwright, planing mill bench hand, or any cabinet maker engaged at carpenter work, or any carpenter running wood work machinery." In 1919 some 5,000 words were required to set forth the jurisdiction claims of the Brotherhood.

[8] With the exception of the pipe trades, however, the question of intra-union jurisdiction has not been an important matter in the Chicago market. All crafts affiliated with the Brotherhood of Carpenters and Joiners have been members of the same Carpenters' District Council since the Amalgamated Carpenters dissolved in 1909. The local plasterers' union has not been affiliated with the Brick-

under more or less constant pressure to expand its jurisdiction because of the changing technology; if it does not claim substitute work as well as that over which it originally exercised jurisdiction, it is likely to find that there is not enough of the original work to keep its own members employed.[9] As a result, most of the unions have restated and elaborated their claims to trade jurisdiction frequently in the official "Statement of Claims" filed with the American Federation of Labor.[10]

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layers, Stone Masons, and Plasterers International Association, but with the Operative Plasterers and Cement Finishers Association, and as a result the national conflict as to whether the plasterers are part of, and subject to the rules of, the bricklayers union has not had its effect in Chicago. Although there are two small unions of Sheet Metal Workers in the city, all branches of the work have been represented by the large union, No. 73. The Steamfitters, Plumbers, and Gasfitters are members of the same international, the first two since 1913 and the last named since 1920, and as a result there has been constant intra-trade rivalry in the piping trades.

[9] As far back as 1894 the secretary of the Brotherhood of Carpenters and Joiners said: "Year after year carpenter work is becoming less and less plentiful, owing to recent innovations in architectural construction. With the introduction of iron and steel frames in the larger buildings, with iron and stone staircases, tile floor and tile metal wainscotting with cornices and bay windows in many cases of other material than wood, ... the chances of steady employment of Carpenters are extremely uncertain" (*Proceedings of the A. F. of L., 1894;* quoted by Whitney, *op. cit.*).

[10] The Building Trades Department of the A. F. of L. requires all affiliated unions to file their jurisdictional claims at its office, but the fact that a claim has been filed does not mean that the Federation recognizes the jurisdiction claimed. In fact, an examination of the various claims to trade jurisdiction filed on successive years shows a large amount of overlapping. Mr. Gompers and the Building Trades Department officials always insisted that the A. F. of L. is merely a "voluntary" association, and that it would not attempt to limit or censor the jurisdictional claims which a member union may file with it. Since the establishment of the National Board of Jurisdictional Awards in 1919, however, the member unions have been pledged to abide by the jurisdictional rulings, although the Board has always made it clear that each decision it renders is intended to apply merely to the controversy under consideration and not to establish a "common law precedent" for the settlement of future disputes of a similar nature.

The disputes to which the conflicting claims of territorial and trade jurisdiction give rise—disputes between dual unions and those of demarcation—are different in origin rather than in consequences. Whitney says that

> the distinction between a dual union and a demarcation dispute is that in the former a settlement in accordance with the claims of one of the disputants would involve the dissolution of the other union, while in a demarcation dispute both unions have claims to jurisdiction which are not involved in the controversy.

Before 1913, for instance, the Plumbers and the Steamfitters were "dual" in theory in the Chicago market, each claiming practically all the piping work. In practice, however, there was a tacit recognition that certain segments of the piping work belonged to each, with an equally large segment belonging to anyone strong enough to take it; and the traditional dispute was therefore "demarcation" in fact, even if "dual" in name. Fred Mader's Fixture Hangers and Michael J. Boyle's Electrical Workers No. 134 became almost dual at one time. The long-standing national dispute between the Bricklayers and Operative Plasterers caused no jurisdictional fights in Chicago prior to 1925,[11] owing to the fact that the local Bricklayers, in spite of the claims of their international, have been satisfied to control the terms and conditions of employment in the bricklaying and stonemasonry lines, conceding plastering work to local No. 5 of the Operative Plasterers and Cement Finishers Association. The jurisdictional struggles of the Carpenters, Sheet Metal Workers, Structural Ironworkers, Laborers, Architectural Ironworkers, and Stone Cutters, on the other hand, are typical of demarcation disputes.

[11] In the summer of 1925 a number of building projects in Chicago were held up because of the nation-wide fight then in progress between the Bricklayers' and Plasterers' internationals.

History of jurisdictional disputes in Chicago.—Before 1914 jurisdictional disputes, frequently buttressed by the sympathetic strike, were responsible for more lost working time in Chicago than any other one cause. The trouble between the Plumbers and the Steamfitters came to the surface during the days when Skinny Madden was dominating both the Steamfitters' Helpers and the Building Trades Council. Then, as since, the jurisdictional dispute was often used as a convenient means of enforcing the payment of "strike insurance." During the two years after the lockout of 1900, most of the unions were too weak even to quarrel among themselves to any extent, but in 1903 and 1904 the trouble between the Plumbers and the Steamfitters resulted in idleness of members of both locals for several months. The disputes became so violent that in the fall of 1905 the contractors addressed a letter to the Associated League asking it to see that the Plumbers returned to the jobs which they had struck. In 1907 hardly a job was without some trouble in the piping trades. The practice of referring disputes to some local arbitrator rather than taking them to the floor of the American Federation of Labor Convention had grown up, and in 1907 the question of the installation of vacuum-cleaning systems was referred to Judge Kohlsaat, who decided that where a so-called "dry system" was used (one requiring no sewer connection) the work belonged to the Steamfitters and that where a sewer connection was necessary the work belonged to the Plumbers. In 1908 some sixty-eight cases were called to the attention of the Building Contractors' Council, the Carpenters being involved in forty-five, the Plumbers in twenty-five, the Sheet Metal Workers in twenty, the Hoisting Engineers in fourteen, and the Structural Ironworkers in eighteen.[12] The first attempt to create a machinery to handle jurisdictional matters independently of the American Federation of Labor was

[12] Data of E. M. Craig, *American Contractor*, February 23, 1923.

made in 1909 when a conference between representatives of the Building Contractors' Council and the Associated Building Trades League was held. Resolutions were offered by E. R. Graham, architect, that steps be taken to set up some machinery to settle disputes, but the contractors were opposed and the matter was temporarily dropped. In 1911 some twenty thousand men were idle because of the disagreement between the Plumbers and the Steamfitters.[13] The first action of the infant Building Construction Employers' Association was the proposal of a truce, and on August 12, 1911, there was effected a settlement of the seven months' war. In 1912 the Carpenters, Sheet Metal Workers, Marble Setters, Glaziers, Ornamental Ironworkers, Machinery Movers, Plumbers, Bricklayers, Electricians, Painters, Hoisting Engineers, Boiler Makers, Steamfitters, and Teamsters were parties to jurisdictional disputes. The trouble of 1912 led to a meeting of representatives of the Building Construction Employers' Association and the Building Trades Council in December, 1912, but the proposal that a joint board to settle jurisdictional disputes be set up was opposed by a minority and dropped. It took the general lockout of 1913[14] to bring both sides to a realization that the setting up of some local machinery for the adjustment of these disputes was imperative, and out of the lockout there emerged the Joint Conference Committee which later became the Joint Conference Board.[15]

The steps taken by the Joint Conference Board and later by the National Board of Jurisdictional Awards to eliminate jurisdictional disputes and the sympathetic strikes so often ac-

[13] See chap. iv.

[14] See chap. v.

[15] There had, of course, been a system of settlement within each trade prior to establishment of the Joint Conference Board. The usual routine involved submission of the dispute to the grievance committee of the union, an attempt to adjust the matter satisfactorily with the other union or unions and the contractor, and as a last resort the calling in of an arbitrator.

companying them should be prefaced by some mention of the issues involved in the more important conflicts over jurisdiction.

The pipe-trades disputes.—Probably the most typical of these disputes is the one between the Plumbers and the Steamfitters. This particular controversy presents a twofold aspect of jurisdictional troubles. In the first place, the International Association has within it several groups, each laying claim to work claimed by one or more of the other groups. In the second place, the International Association has had to contend, on behalf of all of its affiliated craft groups, against encroachment upon the work of the pipe trades by other unions.

The history of this controversy goes back to 1898, when the Steam and Hot Water Fitters applied for membership in the American Federation of Labor. They were opposed by the Plumbers, who were already members of the Federation; a committee was appointed to consider the matter; and the charter finally granted the Steamfitters contained the proviso that the Plumbers' Association was to be allowed to keep such Steamfitter members as it already had under its jurisdiction and to admit others to its local unions in towns where they were not sufficiently numerous to form branches under the Steamfitters. This provision in the charter caused trouble for years. Meanwhile, other groups of specialists were emerging—the Gasfitters, the Sprinkler Fitters, the Railroad Fitters, and the Marine Fitters—and each of the national unions filed claims with the American Federation of Labor overlapping those of the other pipe-trade unions. In 1911, at the American Federation of Labor Convention, the Steamfitters' charter was recalled and the national union was ordered to amalgamate with the Plumbers. This the national union refused to do, and for two years maintained its existence independent of the American Federation of Labor. During that time the national unions as well as

the Chicago locals were theoretically "dual," each claiming all the piping work.

Since 1913 the Plumbers and the Steamfitters have been members of the same international, the United Association of Journeymen Plumbers and Steamfitters of the United States and Canada, which also includes the Gasfitters, General Pipe Fitters, Steam Sprinkler Helpers, and Marine-Fitter Helpers. While the international claims all the piping work, it leaves to the discretion of the various locals the question of their lines of demarcation.

> The jurisdiction of the United Association embraces all classes of pipe fitting, and the separation of the special branches of our craft is left to the wisdom and judgment of the members in their vicinity to be decided by a board composed of members, two to be selected from each local branch of the trade which may be in actual dispute or who may lay claim to any particular class of work. In case the local committee of the special branches involved cannot agree, it shall be the duty of the two branches involved to select an umpire, whose decision shall be final. Any local union refusing or failing to abide by said umpire's decision shall stand automatically suspended from membership in the United Association.[16]

None of the decisions of the Chicago Joint Conference Board, up to the time of the establishment of the National Board of Jurisdictional Awards, pertained to the main source of contention in the piping trades—the line of demarcation between work of the Plumbers and that of the Steamfitters.[17] During the period between 1914 and 1922 the two unions had a local agreement as to their respective jurisdictions. The Gasfitters' Chicago local was declared extinct by the United Association in 1922, its members being ordered to affiliate with the

[16] Constitution of U.A.J.P. & S.F., Sec. 151, as revised September 19, 1921.

[17] Without the formal rendering of a "decision," however, the Board did prevent or end a number of stoppages as a result of disputes between the Plumbers and Steamfitters.

Steamfitters. The secretary of the local refused to abide by the order of the international union, but a large number of the members affiliated with the Steamfitters' local.

Although the Joint Conference Board did little to settle the struggle between the Plumbers and the Steamfitters, it did render a number of important decisions on disputes between the various piping crafts and other unions. In the matter of work in pumping stations, a jurisdictional question that caused a number of disputes between 1908 and 1913, it was decided that work in pumping stations belonged to members of the United Association.[18] The dispute between the Steamfitters and the Structural Ironworkers over the installation of economizers on boilers was decided in favor of the former.[19] Work pertaining to condenser pumping, claimed by both Machinists and Steamfitters, was given to members of the United Association.[20] In the dispute among the various pipe trades in regard to installation of underground work in connection with sprinkler systems, the Board decided that the work belonged to the Sprinkler Fitters and that all pipe work in connection with sprinkler systems, including underground work and pipe work leading to and from tanks, should be done by members of the United Association.[21] The installation of Holt roofing connections, claimed by both Plumbers and Steamfitters, was given to the former.[22]

The National Board of Jurisdictional Awards has made considerable progress toward a determination of what belongs to the pipe trades and what to the others, but it has done little more than the Chicago Joint Conference Board toward determining the specific jurisdiction of the various crafts affiliated

[18] Decision of July 18, 1913.

[19] Decision of September 15, 1913.

[20] Decision of October 27, 1913.

[21] Decisions of December 22, 1913, and September 22, 1914.

[22] Decision of April 6, 1917.

with the United Association.[23] In the controversy between the United Association and the Amalgamated Sheet Metal Workers International Alliance concerning installation of air washers, fans, and blowers, the Board reached the compromise agreement (the decisions of this board, like those of most arbitration bodies, being compromises) that all sheet metal work of No. 10 gauge or lighter, when used on air washers, fans, or blowers, or on the housing of the same, should be recognized as the work of the Sheet Metal Workers, while all pipe fitting in connection with the same should be recognized as belonging to the Steamfitters.[24] In the dispute between the Steamfitters and Steam Engineers over the question of low-pressure heat during the completion of the heating system while the building was under construction, it was decided that jurisdiction should rest with the former until a general test had been made and the work accepted by the owner or his agent.[25] The controversy between the Brotherhood of Painters, Decorators, and Paper Hangers and the United Association concerning the bronzing and painting of radiators and pipe connections was decided by a reiteration of the 1912 American Federation of Labor ruling that the Painters should have all work in which the use of their tools was involved and by the injunction that "the United Association of Plumbers and Steamfitters is instructed to require that all its affiliated unions desist from further trespass upon the Jurisdiction of the Brotherhood of Painters, Decorators, and Paper Hangers of America."[26]

While the pipe trades, like all others, have distinct technological problems that give rise to distinct jurisdictional troubles,

[23] Since 1919, when the National Board was established, the decisions of the local Joint Conference Board have merely been temporary, ultimate decision as to jurisdiction resting with the National Board.

[24] Decision of March 11, 1920.

[25] Decision of August 2, 1923.

[26] Decision of April 28, 1920.

the general nature of the conflicts and the decisions that have been rendered are illustrative of the inevitability and the difficulty of solution of such problems in the construction industry. As long as industry is a changing, dynamic thing, as long as new tools and new materials are coming into use, as long as an extreme subdivision of labor obtains, it is inevitable that organized groups will quarrel among themselves as to which has the right to control terms and conditions of employment. If industrial unionism, instead of the craft form of organization, obtained in the construction industry, it is conceivable that many of these disputes might disappear; but it so happens that industrial unionism does not obtain in the building industry, nor is it likely to come in the near future. And the awards that have been made, both by the local board and the national, have been for the most part compromises. A board of adjudication can establish certain broad premises to govern its awards, it can take as a working principle similarity of work, materials, or tools, but it cannot establish any very definite or permanent rules of the game. In an industry of rapidly changing technology there can be no absolute or final standards ever ready for application.

The Carpenters' jurisdictional disputes.—The Brotherhood of Carpenters and Joiners, the largest of the national building-trades unions, has been in a more or less defensive position so far as its jurisdiction has been concerned for more than a quarter of a century. The Brotherhood includes two large groups, the "inside workers," or mill hands, and the "outside workers," and each of these really includes several separate crafts. It early came into conflict with the Sheet Metal Workers as a result of the increasing use of metal trim, and this dispute finally, in 1920, resulted in the withdrawal of the Brotherhood from the Building Trades Department of the American Federation of Labor. The use of iron and steel frames in large buildings, iron stair-

ways, tile floors, and tile wainscoting encroached upon the work that had early been the Carpenters' special province. One cannot study the record of the Brotherhood without realizing that it has perhaps been a little too aggressive in its jurisdictional claims. Everything involving the use of wood or a substitute for wood has been demanded by the Carpenters at one time or another, and the Carpenters' District Council of Chicago has not manifested any great inclination to make compromise agreements with the unions disputing its jurisdictional claims. It always was willing to abide by the decisions of the Joint Conference Board, however, and the decisions of this body indicate that the local Carpenters have received at least an even break. One of the decisions rendered settled the long-standing dispute between the Carpenters and the Sheet Metal Workers on sheet-metal form work, the decision being that "the Sheet Metal Workers are conceded the work of setting in position, tamping, and bolting all sheet metal forms used in concrete construction, the Carpenters to brace and line said forms."[27] The Millwrights, affiliated with the Carpenters' District Council, disputed with the Machinists for years before the Board was set up over the erection of coal and ash conveyors and package conveyors. The Board decided that "the field work necessary for the erection of coal and ash conveyors and package conveyors now claimed by the Machinists is awarded to the Millwrights affiliated with the Carpenters' District Council."[28] The issues involved in the dispute concerning the installation of conveying and elevating machinery, claimed by the Millwrights and Structural Ironworkers, are sufficiently typical of the way each side in a controversy may make an almost equally strong case on the basis of kind of work, materials, and tools to merit a little more detailed mention. The Board decided in this case that

[27] Decision of May 18, 1913. [28] *Ibid.*

inasmuch as all elevating and conveyor units, such as screw or spiral conveyors, flight or scraper conveyors, bucket elevators, beltways, and like machines must be accurately aligned and carefully leveled and lined up, and inasmuch as this necessarily applies quite as much to the correct setting or placing, erecting, drilling for and connecting of legs, stands, hangers, tracks, guides, troughs, casings, and supports, which are especially erected for the sole purpose of carrying and operating the conveying mechanism and machinery, as it does to the setting of the terminal or corner shafts, it is decreed that all portions of such supporting parts and attachments that do not form a structural portion of a building, tower or tressle, and are exclusively designed for the shafting, tracks, or guides, including the steel cross supports or bearings, stands, hangers, legs, troughs, casings, rails, or guides, shall be considered as millwright work except . . . . steel chutes for delivering to elevators and conveyors from hoppers and steel chutes for receiving from elevators or conveyors to hoppers, but whose closing or operating devices, such as gates, slides, and valves are not a part of or connected to or operated by power machinery.

The excepted work was conceded to the Ironworkers:

But where such closing or regulating gates, slides, and valves are operated by or connected to motors, gears, rope or belt drives, or other mechanical power machinery for their operation and regulation, and having then to be aligned and leveled up accurately with and form a part of such operating machinery, same are hereby considered as millwright work.

Steel elevator casings around vertical legs of elevators were considered as millwright work because "they must be carefully set and aligned with the machinery they contain or support, thereby forming an integral part of the machinery." Steel coal and grain bins or tanks, steel track hoppers, steel coal and ash pockets, the steel structure of hoisting towers, and steel and iron supports of coal and grain bins and hoppers were decided to be within the legitimate province of the Structural Ironworkers.[29]

In settling the dispute between the Carpenters and Roofers over installation of strip shingles, the Board decided that "the Carpenters be awarded the work of installing the single or indi-

[29] Decision of May 12, 1916.

vidual shingle and the Roofers be awarded the work of strip or roll shingles."[30] When the Carpenters, Plasterers and Pipe-Coverers came to the Board with a dispute over cork insulation, the Board decided that none of the three was entitled to the work but that it properly belonged to the Asbestos-Workers.[31] The dispute between the Tile Roofers and Carpenters over the work of stripping the roof for tile roofing was awarded to the Roofers.[32] In the controversy between the Carpenters and Bricklayers concerning jurisdiction over floor deadening, the Board decided that "the Stevens system or any other system of floor deadening . . . . and placing of the strips shall be the work of the Carpenters, and where the chairs are set in mortar or cement it shall be the work of the Bricklayers."[33]

The decisions of the National Board of Jurisdictional Awards bring even more clearly into view the way changes in architectural methods have brought encroachment upon the work of the Carpenters by other groups. In the days when practically all roofing consisted of shingles there was no one to dispute the right to this work with the Carpenters. But with the increasing use of asbestos shingles, prepared paper roofing, and asphalt roofing, there developed a trade jurisdictional dispute which properly comes under the classification of "dual unionism." Before the decision of the National Board on April 28, 1920, the Carpenters claimed all the work of the United Slate, Tile and Composition Roofers' Association. In the decision rendered on the above-mentioned date the Roofers' Association was awarded the work of laying asbestos shingles, prepared paper roofing, and asphalt roll roofing, while the Brotherhood of Carpenters and Joiners was awarded the work of laying asphalt and strip shingles. This was the first of several decisions unsatisfactory to the Brotherhood which finally resulted

[30] Decision of February 22, 1916.

[31] Decision of August 16, 1916.

[32] Decision of March 8, 1916.

[33] Decision of April 6, 1917.

in its withdrawal from the Building Trades Department of the American Federation of Labor. The increasing use of a preparation known as "Bestwall," a substitute for lath and plaster, brought a dispute among the Brotherhood, the Operative Plasterers and Cement Finishers International Association, and the International Union of Wood, Wire, and Metal Lathers, a dispute finally settled when the Board decided that "jurisdiction shall rest with the Carpenters where the material is paneled or used as sheathing, but when cut, fitted, and pointed the Plasterers are recognized to have jurisdiction."[34] The erection of scaffolds for building construction was long a subject of dispute, the work being claimed by the Carpenters, Laborers, Bricklayers, and Plasterers. The dispute is significant in that it illustrates the tendency of the skilled workers, whose wages are uniformly higher, to resist efforts of the employers to have any part of their work done by unskilled workers. The Board in this case accepted the viewpoint of the contractor that it is his right to employ laborers to do work they can as well do as the higher-paid workers, deciding that "the erection and removal of all scaffolds, including trestles and horses used primarily by Lathers, Plasterers, Bricklayers, and Masons shall be done by the Mechanics and Laborers in those trades as directed by the employer."[35] It did, however, concede all "self-supporting scaffolds over fourteen feet in height or any special designed scaffold or those built for special purposes" to the Carpenters. In the hearing over the placing of metal-floor domes, the Carpenters won their case against the Sheet Metal Workers, it being decided that the placing of such domes, "whether temporary or permanent, whenever supported by wood props or other wood supports and used as forms for concrete construction, come within the jurisdiction of the Carpenters";[36] but the local Carpenters lost

[34] Decision of April 28, 1920.

[35] Decision of April 28, 1920.

[36] Decision of December 4, 1920.

an appeal from the Chicago Joint Conference Board Award on metal doors and trim work, the National Board deciding that such work, whenever the material was of No. 10 gauge or lighter, belonged to the Sheet-Metal Workers.[37] In 1920 the Carpenters also lost jurisdiction over work on hollow sheet-metal frames and sash—work which they had claimed since the nineties, when the Sheet Metal Workers first emerged as specialists to undertake this work.[38] This decision was characterized by officials of the Brotherhood as "the last straw," and shortly thereafter they withdrew from the Building Trades Department of the American Federation of Labor.

The Hod Carriers' jurisdictional troubles.—The claims advanced by the Hod Carrier and Building Laborers and the opposition to these claims on the part of the skilled trades are illustrative of the way differences in wage scales lead to jurisdictional troubles. Organized workers feel that if the less well-paid groups are allowed to do a greater part of the work, there results a diminution of the total product of industry going to the wage-earners—a diminution the incidence of which eventually will affect all. Consequently, the skilled trades directly concerned in controversies with the Laborers have generally had a more or less general support from all except the unions of unskilled workers.

At the present time, the International Hod Carriers, Building and Common Laborers' Union claims the

wrecking of buildings, digging of trenches, piers and foundations, holes, digging, lagging, sheathing of said foundations, holes, and caisson work, concrete for building, whether foundations, floors or other work, whether done by hand or any other process tending to masonry; mixing and handling all material used by Masons except the Stone Setters, building of scaffolding for Masons' Plasterers, building of centers for fireproofing purposes, tending to Carpenters, tending to and mixing all materials for plastering, whether done

[37] Decision of December 4, 1920.

[38] Decision of December 4, 1920.

by hand or other processes; clearing of débris from buildings, shoring, underpinning and razing of old buildings, drying of plastering when done by salamander heat, handling of dimension stones.[39]

It will be noted that almost every part of this statement overlaps in its claims the jurisdiction claimed by other unions and that the international has, in its claims, disregarded a number of decisions that have been rendered by the National Board of Jurisdictional Awards.

The Chicago Joint Conference Board, composed, it will be remembered, of an equal number of employer representatives and union representatives, always tended to allow the Laborers the work they could do as well as the Mechanics. In its first decision, concerning work done under the suspension steel concrete system, which was claimed by both the Structural Ironworkers and Lathers as well as by the Building Laborers, the Board decided:

> Filling of pipe beams and columns with concrete either before or after they are put in place . . . . shall be done by the Laborers. All pipe beams and columns shall be handled by the Building Laborers before erection because of the necessity of filling with concrete. Building Laborers shall put in place all floor and roof reinforcing wires of the suspension steel concrete system already for stretching and tightening, shall place all reinforcing rods in floors and roof, and shall erect and remove all scaffolding.[40]

The Chicago Board always avoided the moot question of who should set the reinforcing rods in concrete construction work, its only decision being that at the expiration of the Laborers' agreement, it would "use its influence to bring about satisfactory and harmonious arrangements."[41] The dispute dragged on for years in the Chicago market and was not settled until 1920, when the National Board decided that

[39] Jurisdictional claims filed with the Building Trades Department in 1923 (*Report of Proceedings of Seventeenth Annual Convention of the Building Trades Department of the American Federation of Labor*, p. 20).

[40] Decision of July 18, 1913.

[41] Decision (Chicago Joint Conference Board) of April 9, 1914.

the loading, unloading, carrying and handling of all rods and material for use in reinforced concrete construction shall be done by the laborers under the supervision of such person as the employer may designate. The hoisting of rods, except when a derrick or outrigger is used, shall be done by the laborers.[42]

The work of installing expanded metal-wire mesh used in reinforcing concrete work, claimed by the Lathers and Laborers, was given to the former by decision of the local Board.[43] The dispute between the Building Laborers and Cement Finishers as to work involved in remedying defects in concrete was decided by the National Board on the basis of tools used, the decision being that "where finishing tools are not used or required the work shall be done by the Laborer, but the filling of voids and other work requiring patching, where finishing tools are used and required, shall be done by the Cement Finishers."[44]

The machinery of adjustment.—A recital of jurisdictional disputes and decisions might be continued indefinitely, but the foregoing account of the conflicts in which the locals of three of the numerically strongest crafts have been involved is sufficient to indicate the sources of these troubles, the reasons unions so jealously guard their jurisdiction, and the lack of any definite or satisfactory standards for the adjudication of such disputes. There remains a consideration of the machinery which has been established for the settlement of conflicts that will continue to arise in the building industry as long as members of the various unions feel that the amount of work at any one time is limited, that each group has a vested interest in its particular work, that it is detrimental to the interests of the wage-earners to allow work to be done by the poorly paid unskilled workers, and that an overlapping of jurisdiction may result in training men the employer can use during strikes.

[42] Decision (National Board) of August 2, 1920.

[43] Decision of May 3, 1916.

[44] Decision of August 2, 1920.

In spite of the fact that the jurisdictional disputes have not been eliminated in the Chicago market, the Joint Conference Board rendered some thirty-nine decisions on important and long-controverted questions of jurisdiction between 1913 and 1919,[45] and it reduced the average annual number of stoppages due to jurisdictional troubles to approximately one-third of what they were during the period from 1908 to 1912.[46] The Board was, in fact established with the setting up of the Joint Conference Committee to settle the 1913 lockout, and the temporary Committee was made permanent on July 18, 1914, when representatives of both the Building Trades Council and the Building Construction Employers' Association agreed "to use their united power and combined strength to compel by all lawful means their affiliated organizations and members to carry out to the letter all the conditions [of the Joint Conference Board]."[47] Eight representatives of the Building Trades Council and eight representatives of the Building Construction Employers' Association have been members of the Board. Its function as an arbitrator of jurisdictional disputes has been, of course, only one phase of the work of the Board.[48]

[45] Since 1919 the decisions have been only temporary, since they are subject to ultimate approval or reversal by the National Board. The agreements, however, still pledge the unions and employers to abide by the awards of the Board until a final decision has been rendered by the national body.

[46] No accurate data on the number of jurisdictional strikes except those mentioned on pp. 126–28 have been kept by either the Building Trades Council or the Building Construction Employers' Association. A study of conditions both before and after the establishment of the Joint Conference Board shows, however, that jurisdictional disputes have been reduced in recent years to approximately one-third the former number.

[47] Par. 1 of the agreement creating the Joint Conference Board.

[48] See chap. v. The Board is, of course, the court of appeals for the arbitration boards which are set up in each trade under the terms of the "Uniform Form of Agreement." It is discussed here only in so far as it pertains to the settlement of jurisdictional disputes.

The fact that some of the decisions rendered in the Chicago market were contrary to those rendered at the national conventions of the Building Trades Department of the American Federation of Labor and that some of the strongest unions, as already indicated, showed a greater disposition to go along with their internationals than with the Building Trades Council created a difficulty in the enforcement of the awards of the local Board. The same difficulty was experienced in other building markets having local jurisdictional boards; and as a result of the intervention of the United States Department of Labor through conciliator John B. Lennon, the National Board of Jurisdictional Awards was established in 1919.

The National Board consists of eight members, three of whom are selected by the Building Trades Department of the American Federation of Labor from among the international officials, and one each from the American Institute of Architects, the Engineering Council of America, the Associated General Contractors of America, the National Association of Builders' Exchanges, and the National Building Trades Employers' Association.[49] Each member holds office for two years and is eligible for re-election.[50] Officers are a chairman, vice-chairman, and secretary-treasurer, the first two being elected from the duly accredited representatives by a majority vote of the Board and the secretary-treasurer being appointed by the Board and serving with voice but no vote.[51] The duties of the Board are "to hear claims for jurisdiction over work performed by the building trades and to determine by which trade the work in contention shall be performed and to make an award in conformity with the facts submitted by the contendants."[52] At least a two-thirds vote of members of the full Board is required

[49] Constitution, Art. 14.

[50] *Ibid.*, Art. 15.

[51] *Ibid.*, Art. 21.

[52] *Ibid.*, Art. 2.

to render an award, and all international unions and their members are bound to abide by the decisions. The Board may, and frequently does, appoint special committees to investigate any case brought to its attention. When the Board fails to make an award an umpire may be agreed upon whose findings are final, and when it is unable to agree upon an umpire the Board requests the Secretary of Labor of the United States to name one.[53] When a jurisdictional dispute arises the employer to whom the work has been given is allowed to proceed with such workmen as he may see fit to employ, pending a decision of the Board, but the right of any contestant to the dispute is understood not to be prejudiced in his claim for a final award by such employment.[54] The membership of each international union in the Department is pledged not to take part in sympathetic strikes in any case of jurisdictional dispute, and the labor organizations signatory to the agreement (to form the National Board) "shall secure the enforcement and compliance of the organizations with the provisions of this agreement and the awards of the Board." Local organizations refusing compliance with the awards of the Board "shall be suspended from their international organization and the international organization shall proceed at once to man the job and the employer shall co-operate with the international organization in so doing." Architects, engineers, or employers represented on the Board through one of the member organizations are subject to suspension from their respective associations for failure to comply with the awards of the Board.[55] As a step toward averting jurisdictional strife the Board recommends that new materials, specialties, and methods of application be submitted to it for approval before being specified or used, provided that six members of the

[53] *Ibid.*, Art. 6.

[54] *Ibid.*, Art. 8.

[55] *Ibid.*, Art. 9.

Board have agreed that the subject has not been previously covered.[56]

The outlook.—To express a hope that the machinery of arbitration now established will eliminate jurisdictional disputes from the construction industry within the next few years would be to manifest a fatuous and unwarranted optimism. One of the weaknesses inherent in arbitration has already been manifested by both the Joint Conference Board and the National Board—the fact that unions cannot be compelled to abide by the decisions of an arbitrator or arbitration body. The Brotherhood of Carpenters and Joiners, numerically the strongest of the construction unions, left the Building Trades Department of the American Federation of Labor when it was not satisfied with the decisions of the Board. Perhaps the greatest achievement of the national body has been its success in getting the international unions to agree that under no circumstances will their members participate in a sympathetic strike; but sympathetic strikes have taken place in spite of this promise. As long as unions feel, very logically, that any encroachment upon their work by other unions constitutes a danger to their members, and as long as changes in materials, the use of new and similar tools by the various crafts, greater subdivision of labor, and technological changes are taking place, the labor organizations will have ample grounds to dispute as to their respective jurisdictions.

But, on the other hand, the importance of the steps that have been taken to eliminate the jurisdictional dispute must not be underestimated. The fact that all the internationals affiliated with the Building Trades Department have recognized the need of some permanent machinery to settle such conflicts and that they have supported that machinery to the extent of outlawing the sympathetic strike—something few of them would have been willing to do twenty years ago—is perhaps as encouraging

[56] Constitution, Art. 13.

as the actual accomplishments of the Board. And regardless of its insistence that each decision rendered is intended to apply only to the dispute under consideration, the Board is gradually, in spite of itself, laying down certain general principles, establishing certain precedents, that will at least be helpful in settling questions of demarcation in the future. Inevitable as jurisdictional disputes are in the construction industry and certain as it is that they are going to arise many times in the future, the very fact that there is this machinery of adjustment means that greater progress than ever before has been made toward minimizing their evil effects.

CHAPTER IX

WORKING RULES AND PRACTICES

In practically every organized industry in the United States a code of rules and unwritten customs governing working conditions has evolved in one manner or another. Under systems of contractual relations and an approximate balance of power between the workers and management, these rules have generally been jointly determined and are the result of a series of compromises which make them appear to the person outside the industry both illogical and purposeless. Where the workers have been able to gain little voice in the determination of terms and conditions of employment, the working rules have typically been dictated solely by management; where the union has been stronger than the employers, the rules have represented the opposite type of dictation; and in still other cases they have been the consequence of a series of decisions by arbitrators to whom the organized workers and the employers have submitted their differences. The rules that have been in force in the Chicago building trades, while they have not always fallen clearly within any one of these four classes, have generally been formulated by the union, and the signing of an agreement has been made conditional upon their acceptance by the employer.

These rules have more than once brought criticism upon both the unions and the employers' associations. While the statement of an arbitrator in 1921 that they have been "designed to produce waste for the mere sake of waste" is a too facile generalization, many persons who would admit the need for a modicum of regulation and protection for the workers have felt that the rules have embodied, in some cases, not legitimate

regulation and protection for the workers but restrictions both uneconomic and antisocial in their character. The most frequent charges that have been made against the code of rules and unwritten customs in this market run somewhat as follows: Indefensible rules are the chief weapons of the unscrupulous agent who would exact tribute; they make possible the waste of time and effort; they place restrictions upon the use of machinery (in spite of the "cardinal principles") so as seriously to retard technological progress; they take away from the employer his "inalienable right" to manage his business as he wills; they make entrance of new mechanics into the trade dependent upon the pleasure of those in control of the unions; they discriminate against contractors who are not members of the employers' associations; and they promote economic inefficiency by requiring skilled men to do work that unskilled and lower-paid men could as well do and by limiting the amount of work the journeymen may do during a working day.

Very rarely, however, does one find a rule that was not at some time the means of attaining a concrete objective, and one needs to consider carefully the peculiarities of the particular trade before branding that objective as "illegitimate." More often it is true that rules which once served some definite purpose in protecting the workers against dangers acute in the trade remain when they are no longer essential, and no great difficulty is encountered in accounting for the tenacity of antiquated regulations. They remain, for one reason, because the skilful business agent knows that rules of this type can be conceded by the union in an emergency without any real loss to the workers, and that at the same time the employer may be willing to make a considerable sacrifice in order to have the rules abandoned. If collective bargaining worked more perfectly than it does, rules no longer serving any useful purpose might all be eliminated eventually in the higgling process accompanying joint negotiations,

but rules once established in the construction industry do not automatically disappear as a result of mutual concessions, even though they have ceased to perform a legitimate function. The contractors can pass the increased cost resulting from the rules, if there is any, on to the public with relative ease, and they are not, therefore, willing to make any very material sacrifices to have the rules abolished. A second reason rules of this type tend to remain after their purpose has been served is found in the psychology of "business" unionists. The average trade unionist, intensely concerned in those things upon which he believes rests the bargaining strength of his group, does not discriminate very carefully between what rules actually are necessary or helpful and what ones are not. Giving up a working rule impresses him as a partial surrender of union control, and the business agent who would advocate a general relinquishment of antiquated rules would soon find himself unpopular with the rank and file. Finally, there is the fact that antiquated rules have been retained in certain cases simply as devices for increasing the personal profit of individuals in control of the unions or for giving relatively small groups an artificial advantage netting them a return out of proportion to a "fair" division of the product of this industry.

Too much emphasis upon those rules which serve no legitimate purpose but which, by the fact that they have not been eliminated, place a certain hardship upon the industry or its customers might imply, however, that all the working rules of the Chicago building trades have been more or less restrictive. A careful differentiation is therefore called for between those rules which have exceeded the bounds of legitimate protection for the workers and those which cannot be called more than regulatory. It is inevitable, also, that any conclusion regarding the general increased cost to the industry of the working rules will be subject to various qualifications, and in apposition to what-

ever cost the rules may have occasioned must be placed the legitimate objectives which the workers have, on the whole, gained through these rules or unwritten customs. The present chapter attempts, therefore, to set forth the results of an investigation into the extent to which rules throughout the industry have been restrictive rather than regulatory, to discuss the particular cases where there is most evidence of restriction, to present the attitude of both the workers and management toward this problem, to examine the steps that those within the industry have taken toward a solution of some of these questions, and, finally, to raise the question of what better and less expensive methods of attaining the same objectives might, in some cases, be resorted to by the workers.

A prosecution of these purposes involves the necessary preliminary of establishing some standard or criterion of what the difference between "restriction" and proper "regulation" actually is; and the setting up of any such criterion inevitably entangles itself, in turn, with the questions of what the attitude of the wage-earners toward these rules is and of the extent to which this attitude is, from the viewpoint of third parties interested in both the economic efficiency of the industry and the welfare of the workers, well taken.

Criteria and attitudes.—The criteria of regulation, as opposed to restriction, can be stated briefly. Where the working rules have protected the workers against "boy labor," have insured enough jobs for those who have spent several years at a financial sacrifice in learning the trade, have prevented unemployment that would come with an undue glutting of the market with mechanics, have made impossible unhealthful "rushing" and "pace-setting," and have eliminated the type of subcontracting by union members that would amount to little more than piecework detrimental to the maintenance of the wage scale, they can hardly be classified as other than regulatory. In

attaining these ends they may have added something to the cost of building construction; but unless one denies the responsibility of industry for the maintenance of the standard of living and of decent working conditions for its workers, the cost cannot be considered other than one that industry should be called upon to assume. On the other hand, some of the unions, under the guise of attaining these ends, have placed greater limitations upon apprenticeship, output, the use of machinery, and the "business rights" of the employer than have been necessary for the attainment of the ends. In such cases the rules fall within the "restrictive" rather than within the "regulatory" class.

Working rules are regarded by the average business unionist as essential to the purposeful existence of the union. Indifferent, for the most part, to the broader political, ethical, and social programs that have been espoused by other groups of wage-earners, the members of the Chicago construction locals have centered almost their entire concern upon such matters as the number of jobs available, wages, standards of living, and the amount of the day's work and strain. They are hostile to the introduction of new machinery, for they feel that the benefits of a new technology will accrue to the employer or possibly to the public, while the new machines may destroy important segments of a trade. Letting down the bars upon apprenticeship will subject them, the workers feel, to the competition of "boy labor" and will glut the market with such an unduly large number of mechanics competing for jobs that the wage scale will be materially depressed. Limitations upon output they consider essential upon both the "health of the worker" and the "lump of work" bases. Trade unionists, if not professional economists, reason that there is a certain amount of work to be done at a given time, and that this quantity is practically fixed irrespective of costs of production. If the work is rushed through to a rapid completion, some of the members of the group will shortly be

without the opportunity to sell their services. Holding rigidly if unconsciously to the doctrine of a vested interest in the work, the organized workers feel that it is their "right" to see that the work is not rushed through to a too rapid completion. Feeling as he does, then, the average trade unionist will advance a bill of particulars in favor of the working rules; but ordinarily he will not admit that the rules in his particular trade may have placed greater limitations than are necessary for the attainment of their professed ends. He does not consider very carefully just how far the rules may go in limiting what the employer would do were he not dealing with his workers collectively before they regulate or restrict more than is necessary for the reasonable protection of the workers; and for this reason a more detailed consideration of the worker's attitude toward apprenticeship regulations, limitations upon output, technological change, and the employer's freedom to work on the job and manage his business as he wishes should be considered in connection with the question of what the concrete application of this general distinction between regulation and restriction involves.

The apprenticeship rules of the crafts have included such matters as what persons may become apprentices, age limits, the number who may be admitted to a given market or plant, the length of the period of apprenticeship, and the nature of the work the learners may do and the training they shall receive. Training for the trade is, of course, essential wherever any degree of skill is required of the artisans, and from the viewpoint of craft unionism it is essential that rather definite control be exercised over the character and length of the training period as well as over the selection of those who may be admitted to the trade. Organized workers feel that the solidarity of the group cannot be maintained where the workers are too highly specialized and lack a considerable degree of craft training. Under such conditions, they reason, the employer is likely to pit one

worker against another and induce individual competition. Also, they realize that in the absence of joint agreements prescribing the nature of the apprentice's work the employer is under temptation to teach the apprentice a few simple operations and pass on to him certain portions of the work theretofore done by skilled men; under the pretense of training apprentices he may employ unskilled labor to do the work. The dominant interest of craft unions in the number who may qualify is a result of their fear of a glut in the market and a consequent lowering of the wage level—a feeling not greatly different, in some ways, from the fear of foreign competition that makes business men advocates of the protective tariff.

Three definite things need to be taken into consideration before one is in a position to decide whether the ratios of apprentices to journeymen have placed greater limitations than have been called for to protect the workers against these developments: the length of time that must elapse before the apprentice may become a journeyman, the length of the journeyman's working life, and migration into and out of the particular market in question. Allowance for these factors would give the workers a modicum of regulation in virtually every trade and at the same time make possible the steering of a middle course between shortage and excess of journeymen. Greater limitation upon numbers than is called for in view of the facts regarding these matters is likely to result, in the long run, in failure to recruit a supply adequate for the needs of the community. In some cases, also, the period of training may be longer than is necessary to attain the end of an adequate and well-rounded knowledge of the trade. Presumably the only test of the proper period of training lies in the time necessary in view of the technique of the particular trade, but the application of this standard is complicated by the fact that the ratios of apprentices to journeymen have not been worked out on any scientific basis, and as a result the work-

ers have claimed that they need the additional protection that comes through a relatively long apprenticeship period.

Limitations upon the amount of work a man may do during a given working day have been justified by the workers as necessary devices in the prevention of rushing, on the ground of good workmanship, and upon the "lump of work" argument. Unless some limitations are placed upon the amount of work, the workers say, employers will be under the temptation to pay extra wages to young and vigorous men with the idea of getting them to act as pacemakers—a procedure which would rapidly throw the older members of the union out of work[1] and result in some working under such pressure that their health would be endangered and their working life materially shortened. It is true that the greatest tendency toward pace-setting comes in the large metropolitan centers. Chicago is becoming more and more a city of apartment dwellers, and many apartments are erected as speculative propositions. The building promoter or owner erecting an apartment building is more adverse to delay, which means postponement of income, than is the builder of a house for his own use in a small town. The workers feel, also, that if they work a little more slowly the "lump of work" will not be exhausted as soon; by "nursing" the job a little longer more members of the organized group can find employment, or the period of employment for those who have jobs will be prolonged. It should be noted, however, that this group interest has sometimes conflicted with the individual interest of holding the job—and when this conflict has occurred, the individual interest has generally been the stronger. While the group will attempt to spread work when there is little more in sight, the individual, fearing discharge, will make greater efforts to hold his job. Contractors generally say that in busy times the men work more leisurely

[1] It will be remembered that the employers have been granted the absolute right of discharge since the lockout of 1900.

than in dull periods, when idle men are walking the streets looking for jobs. If the joint agreement incorporated some limitation upon the employer's right to discharge, it is not unlikely that the group desire to spread work during dull seasons would predominate over the individual motive of holding the job. In relatively busy periods, however, the feeling that the amount of work to go around is in some manner limited in spite of the apparent prosperity of the industry—that there is such a thing as a "lump"—accounts for a certain amount of limitation which the workers place upon the amount of the day's work. Unionists generally recognize that in the long run a policy of "ca canny" may reduce the general wage level; they are aware, if only dimly, that there is a certain amount of correlation between wages and productivity. But they also realize that a rise in the price of the commodity they are manufacturing, buildings, will not necessarily result in a contraction of demand; many extraneous factors enter into demand creation. The average trade unionist, who has a family to support here and now, has to think in terms of very immediate conditions; and he reasons that at any given time there is considerable validity in the contention that the amount of work to go around is limited.

The traditional attitude of organized wage-earners toward the introduction of machinery and change in the character of the work has also been exemplified many times in the Chicago construction market. The workers have feared that unlimited technological improvements would destroy important portions of the various trades, and that the benefits of machinery would accrue not to the workers but to the employer and perhaps to the public. Hence not a few of the unions have made attempts, at various times, both to prohibit the use of machinery and to prevent work being done in the shop instead of on the job. Were the market organized upon an industrial rather than upon a craft basis there might not be such a fear of allowing part of the work

to pass from the job to the shop, provided the machine processes in the shop did not diminish the total amount of work to be done by members of the industrial union; but craft organization and craft consciousness have been too definite realities in this market to justify much speculation regarding what might have been the situation had they not been there. It is not improbable that throughout industry in general wage-earners are coming to regard opposition to technological change as being, in the long run, futile.[2] But this attitude will be long in penetrating the Chicago construction locals. The essentially localized character of the industry is likely to mean that the workers will be in a position to enforce, to an extent at least, their own demands regarding the use of machinery and the doing of work on the job instead of in the shop for some time after such opposition has—if it ever does—become a discarded part of the program of unionism in general.

Limitations upon the employer's "business rights," especially in regard to his working on the job and to his subcontracting certain portions of work, are another class of rules that must be taken into account in any investigation of whether working rules on the whole have gone beyond the field of proper regulation. Rules of this nature are generally looked upon by the workers as protective devices against risks which they feel are unusually acute in the construction industry. If union members were allowed to do contract work, the union would have no way of controlling the wage scale. Collective bargaining involves a standard wage scale—something that cannot be maintained when some members of the organized group are permitted to do subcontracting that amounts to little more than piecework. In the construction industry it is relatively easy for a journeyman to

[2] For instance, the official stand taken by the American Federation of Labor at the October, 1925, Convention regarding elimination of waste and improvement of technique in industry.

become a subcontractor, and becoming a subcontractor may mean little more than underbidding other union members by doing individual work on the piece-payment plan. No great capital or special training is necessary to become a free-lance subcontractor. Practically no work which the union man might take on subcontract necessitates the use of tools or equipment he does not already own. Also there is the feeling that group solidarity will be weakened if any appreciable number of the members become employers—that it is to the best interest of the group as a whole that the members feel the permanency of their status as wage-earners. The same fear that the unions will lose control of the wage scale, and also their concern about the danger of an over-supply of labor, are to be found in opposition to the contractor's doing manual work. If the contractor worked with the men on the job he, in all probability, would be the "pace-setter," and in addition there is the fact that abolishing the rule offhand[3] might mean in certain trades the flooding of the market with a number of unemployed workers—a fact that is especially true in view of the large number of subcontractors in Chicago employing only one or two men.

Feeling as they have felt with regard to these matters, then, the wage-earners have been able to develop a maze of rules which have stood out in contradistinction to those the employers would have made had they not been forced to deal collectively with the unions. Other things being equal, employers will oppose regulatory rules which increase costs or create costs which cannot be passed on to the purchaser of the product with relative ease. Their primary interests lie in efficiency of production, in improvement of the quality of workmanship and management, and in lower unit costs. They resent surrendering their prerogative to establish such working conditions as will best aid them in

[3] As Judge Landis did endeavor to abolish it in 1921 (see chap. xii).

the attainment of these ends. Building-trades employers are to an extent, of course, an exception to these general statements. Since they do not have to fear intermarket competition in the sale of their product, they can more easily pass on to the public the cost of any restrictive rules. More than once employers in the Chicago building trades have acquiesced with apparent willingness in rules that have brought criticism upon the industry—especially those whereby "independent" employers have experienced difficulty in getting mechanics and those making possible the monopolistic practices discussed in the following chapter. Still other rules, however, have been accepted by the employers simply because the strength of the other party has forced them to do so.

Specific cases of restriction.—The general criteria of the difference between restriction and regulation and the attitudes of the workers toward their working rules, as set forth in the foregoing paragraphs, suggest the question: How much in fact has the industry been hampered and to what extent have its customers been forced to pay higher prices for the product as a result of these rules? A general answer for the industry as a whole is not satisfactory. Rather, certain cases should be cited in which the preponderance of evidence rather clearly points to restrictive practices, and against these cases of restriction should be placed and weighted those where the rules have not been more than properly regulatory. Not until this has been done can any helpful appraisal of working rules in this market as a whole be made.

It is with some reluctance that one cites particular unions as examples of the practice of uneconomic restriction. In some cases the rules have shifted from year to year between the regulatory and the restrictive field, according to the accidental strategic advantage the unions have happened to have at different times, and in other cases the border line between legitimate regulation and unjustified restriction has never been a very precise

one. Sometimes there have been rules which in themselves have been clearly restrictive and yet have added no great cost to construction work because the employers have not thought it worth while to take advantage of the maximum concessions granted them by even the restrictive rules. A ratio of apprentices to journeymen might be restrictive in a given trade, and yet this ratio could hardly be said to add to the costs of production when the contractors, unwilling to assume the responsibility of training youths, did not hire the maximum number allowed them. Also, restrictive practices have been in vogue in some trades which are not given special mention in the immediately following paragraphs, and there is no intention to imply that the Lathers, Painters, Glaziers, Plumbers, and Carpenters have been the only unions practicing restriction. Indeed, two of these unions have recently inaugurated constructive systems of training for the trade,[4] and the last-named group, the Carpenters, is mentioned more because of a few outstanding restrictive practices in the past and because of its importance in the industry than because its restriction has been equal to that of the other four.

The Lathers' Union of Chicago has been looked upon as one of the most restrictive since the days when Axel Alex was its head. It will be remembered that this union never accepted the Uniform Form of Agreement and that it was expelled from the Building Trades Council in 1914 when its members were called out on strike in defiance of the orders of the Council. The chief indictments that have been made against this organization are: (*a*) that the apprenticeship rule of "one apprentice to a boss" has for years unduly restricted entrance to the trade; (*b*) that officials and membership have been indifferent toward any systematic method of training for the trade; (*c*) that the union has put unreasonable restrictions upon the amount of work the men

[4] See pp. 174–78.

have been allowed to do during the day; and (*d*) that its opposition to new and improved methods of carrying on the work has resulted in an adherence to antiquated methods increasing the proportion of total building costs that must be allotted to the work of lathing.

The facts of the Lathers' case can be summarized briefly. Since the end of the nineteenth century the union has maintained the "one apprentice to a boss" rule. Although this restriction has not been incorporated into the joint agreement during the greater part of the time, it has been one of those unwritten customs that have sometimes been even more binding than the written rules. The Union Executive Board has had sole discretion as to who should be admitted to the trade, and the practice of giving preference to relatives of members has been followed.[5] The number of apprentices under the jurisdiction of the union has generally been between 125 and 180, the number in December, 1925, being 150, while the membership of the union at the same time was approximately 1,200. No system of training for the trade, either through a school established by the union or through a system of co-operation with the city-school system, such as the Steamfitters, Carpenters, Electricians, and Painters have resorted to, has been established. The period of training has been four years. The initiation fee of the union, which formerly was nominal, has been increased in recent years and is now more than a hundred dollars. A policy of refusing to work on non-union materials has always been adhered to by the union, but members of the contractors' associations (there have been two rival groups of contractors in this trade for some years) have made little attempt to use non-union lath. The quota of a day's work has been thirty bundles of lath or about one hundred

[5] Interview with the financial secretary of the Lathers' Union, November 28, 1925.

square yards under the "key" (the distance between two laths). The union has opposed the introduction of new machinery, such as specialized devices for tacking the lath, and it has also protested against use by the contractors of substitutes for lath such as the various patented wall-covering products. Its members have been permitted to do subcontracting provided they turned in their union cards and remained for a definite period upon the inactive list.

Union officials have contended that the apprenticeship rules have placed no hardship upon the industry unless within the meaning of "hardship" is included the cost that is necessary to secure enough jobs for men who have been trained in the trade. It should be said that complaints of contractors have been more against the restrictions upon output than upon the ground that the supply of journeymen has been running short. The union accepts the clearance cards of members of the international from other cities, and this number exceeds each year the losses in union membership through migration and death. Also, the union has contended that contractors will not employ the maximum number of apprentices the union is willing to furnish.[6] Under the "one apprentice to a boss" rule this means, of course, that many of the subcontractors refuse to be bothered with an apprentice and carry on their regular pay-rolls an extra journeyman instead, but it does not mean, on the other hand, that some employers would not undertake the training of more than one youth were they permitted to do so. Restriction of the amount of lath a journeyman has been allowed to put up during a day is justified by union officials as necessary in "carrying" members who are beyond the prime of life. The average of 100 yards for the day, union officials say, represents a fair day's work for the worker of average efficiency; a vigorous young man might nail

[6] *Ibid.*

5–8 per cent more, while an elderly worker would fall about an equal amount below this norm. In order to prevent the displacement of elderly workers it has been felt necessary that younger union members be prevented from placing a premium upon their own services and against those of the older men.

Any degree of validity in these union contentions should not be overlooked, but a study of the history of the Lathers' limitations cannot but indicate that the rules have been more rigid than has been necessary to attain the ends union officials profess to have been seeking through them. Contractors have contended that the plea of output limitation as a means of "carrying" elderly members of the organization has been merely a rationalization phrased in altruistic terms, and to some extent their contention is substantiated by the facts. The average union member—the man who is neither exceptionally vigorous and swift nor old and slow—can complete the quota of work in an hour to an hour and a half less than the eight hours constituting the working day. Formerly the members of the union were in the habit of packing up their tools and leaving the job at 3:30 or 4:00 P.M., with the day's work completed. More recently this practice has been dropped and instead the policy of going more slowly throughout the day has been adopted. So long as the former practice was held to, the union had little even superficial justification for its contention that the limitations upon output were for the purpose of protecting the older workers. While an elderly and slower man was insured by the rule against competition with younger pace-setters, he was not helped greatly by being left on the job to complete his quota when the younger men left; on the contrary, his inability to compete with other members of the group was being advertised. Nor is it possible to say that no restriction has been involved in the apprenticeship rules. The ratio of apprentices to journeymen has averaged between 1 to 7 and 1 to 8

(150 to 1,200 in 1925), which is less than what is necessary to bring about a middle course between shortage and excess.[7] Some allowance must be made for the fact that migration into the market considerably exceeds migration out, but there is little extenuation in the fact that some contractors do not hire their maximum of one. The small subcontractor may find it more profitable to retain a journeyman permanently in his employ than to undertake the training of a youth, but the larger lathing contractors, on the other hand, are discouraged from establishing any training program when they are limited to one apprentice.

The rules of the Painters' District Council and of the Glaziers' Union, affiliated with the Council, have embodied a limitation of two apprentices to a shop or job, restricted the use of tools and certain kinds of machinery, prohibited the contractor from working on the job, placed regulations upon the workers' doing home work, and specified that work traditionally done on the job should not pass to the shop. Definite limitations have also been placed upon the kind of work apprentices have been allowed to do. The period of training has been three years. In the autumn of 1925 the Painters did, however, inaugurate a system of training for the trade, in co-operation with the city-school system, discussed later in this chapter.

The Painters have defended their "two boys to a shop" rule upon the general ground that any greater number would increase unduly the supply of labor in view of the large number of members of the international union coming to Chicago every year. They have also contended that the contractors have been unwilling, in the past, to hire the maximum number of apprentices, although admission is generally made that some of the employers would hire more than two were they permitted by union rules to

[7] For the apparent proper ratio for the industry as a whole, about 1 to 4, see pp. 172–74.

do so.[8] During the first year of the training school, established in 1925, the number of boys enrolled was 206, while approximately an equal number were learning the trade under the old method of instruction solely on the job. In spite of the fact that some of the shops would have taken on more apprentices, the number for the trade as a whole was less than would have been permitted had every contractor hired the two apprentices allotted him. Even had the maximum number been hired, however, the number of apprentices would have been considerably less than one "1 to 4" ratio which presumably would allow, throughout the industry as a whole, for future expansion and at the same time prevent undue glutting of the market. Only when an employer has employed twenty journeymen has he been allowed the maximum of two apprentices, and in every case he has been required to employ five journeymen before taking on an apprentice.[9] The Glaziers' rule has required the employment of seven glaziers before the employer has been eligible to hire an apprentice, and has allowed him an apprentice for each additional fifteen men employed.

An anomalous situation is indicated by the apprenticeship rules of both the Lathers and Painters. In each of these trades the ratio is restrictive, for some contractors are not allowed to hire as many boys as they would like to have, but at the same time the maximum number allowed even by the restrictive ratios

[8] Mr. A. L. Clark, supervisor of apprentices for the Painters' District Council, told the writer that out of a survey of some two hundred contractors that he made in 1925, two were anxious to employ more than the maximum of two apprentices, and one—of the largest contractors in Chicago—would have been willing to take on more than twenty. It should be noted, however, that this survey did not include nearly all of the contractors (interview, December 4, 1925).

[9] The exact wording of this rule, in force for years, has been: "The employer may employ one boy between sixteen and twenty-one years as apprentice provided he has employed at least five men during six months of the past year, and one additional boy between said ages when over twenty journeymen are employed."

is not being trained for the trades as a whole. One suggestion might be made in regard to a possible way out of this apparent dilemma. Suppose some system were inaugurated whereby contractors were allowed to take on youths in excess of their quota in proportion to the extent to which the number being trained in the trade as a whole fell below the possible maximum. In other words, if the "two boys to a shop" rule permitted, say, the training of five hundred youths at any time, but if, owing to the unwillingness of some of the smaller contractors to undertake the training of one or two youths, the number being trained was approximately three hundred, the contractors willing and anxious to take on more boys should be allowed to do so until two hundred more had been apprenticed. The unions could not legitimately object to a plan of this nature, for under it they would still be protected in the maintenance of their ratios for the trades as a whole; and the plan, in itself, does not attack the question of whether the ratios themselves are too restrictive. Were some such program adopted, it is probable that the anomalous situation in which some contractors wish more apprentices than they are allowed and yet the contractors for the trade as a whole do not employ the total number allowed them would be eliminated. If the plan were suggested by a group of citizens whose friendliness toward the legitimate objects of unionism was not subject to question, which had not been actively connected with the events in the industry between 1921 and 1927, the acceptance or rejection by the unions would be looked upon as an acid test of whether the rules are desired as devices for gaining something more than proper protection for the workers.

The Painters' and Glaziers' restrictions upon the "business rights" of the employer and upon the use of machinery and tools have been less drastic than the apprenticeship regulations. The Painters' rules have for years prohibited the use of daily time sheets to specify in detail the time spent by the worker on

each room or at any certain kind of work, and prohibition has been placed upon the use of brushes of more than a certain width. Union officials have declared that no long-run limitation upon output is involved in the latter rule, inasmuch as inferior workmanship would result on all but the very crude painting jobs from the attempt to speed work through the use of wider brushes. A second justification of this rule has been protection of the worker against undue fatigue. The former contention has, apparently, no valid factual basis. Assurance of satisfactory painting work does not rest upon a rigid specification in regard to the width of the brush on all operations, but rather upon an adjustment in accordance with the nature of the particular job that is being carried on. The painting of woodwork and wainscoting necessarily involves use of finer equipment than does "straight wall" painting, but the limitations in any given case should be determined by the character of the work. The "health of the worker" argument perhaps had some measure of justification in the case of the large calcimine brush which employers attempted, some years ago, to introduce in whitewashing work, but in general the rule must be looked upon as an indirect means of limiting output.

Prohibitions against work passing from the job to the shop have also been maintained by both the Painters and the Glaziers. The District Council has required that all sash, frames, and screens be primed, painted, and glazed on the job, and members have been prohibited from cutting stencils or drawing designs and sketches for any employer in their homes, and a provision in the Glaziers' constitution has forbidden any member to glaze sash for any building in the warehouse of any glazing contractor. These rules were instituted as a result of the pressure early in the twentieth century in the direction of shop rather than job work, and have been maintained since. Probably the rules still have whatever justification they ever had, for de-

velopments in recent years have created a greater pressure in the direction of shop work than the wage-earners formerly had to withstand. The Painters' District Council has gone to greater extent than has the Lathers' Union in prohibiting members from becoming contractors. Prior to the Landis award of 1921 the joint agreement in this trade specified that any union member, to become a contractor, must have been a member in good standing for five years, must have obtained from the Council a permit to do contracting, and must have passed an examination before the Board of Business Agents to prove his qualifications to be a contractor. In this manner the District Council exercised, under the closed-shop agreement, an absolute veto regarding who of its membership might become contractors. Whatever measure of justification this provision may have had should be recorded. While the refusal of the opportunity to become an independent employer may appear, on the surface, to be the denial of a right every citizen of the United States is supposed, under our still individualistic philosophy, to have, the fact that a man could in the absence of any limitations very easily do piecework as an independent contractor must not be lost sight of. Practically the only tools a painter needs to become a subcontractor employing no labor are his brushes, ladders, and a few other inexpensive articles; and the restriction has been justified by the unions as a device for preventing an undermining of the wage scale through piecework. All contractors not members of the District Council have been prohibited from handling tools or doing any work on the job.

Chief complaint against the Plumbers' Union has come because of the "one apprentice to a shop" rule which has been in force since the Chicago World's Fair of 1893. This rule is an example of one of the many which grew up when the industry was upon much smaller scale basis than it is today, but which the year-to-year process of collective bargaining has failed to elim-

inate. The average shop of the eighteen-nineties was relatively small, and the rule of a single apprentice to a shop, inaugurated as a protection against undue glutting of the market with workers and against competition of journeymen with boy labor, involved no great restriction at that time. The Plumbers today point out the fact that the majority of establishments do not employ more than four or five journeymen, and that "in most cases" the rule cannot therefore be considered restrictive. Also, they contend, many employers do not wish to undertake the training of the one apprentice allotted them. Neither of these arguments, however, really touches the crucial points in the situation. The statement that the predominance numerically of small-scale establishments means that "in most cases" the rule is not restrictive ignores the fact that proportionately more and more of the total plumbing work is being done by large firms, employing a considerable force of journeymen. The recruiting of an adequate labor supply for the future rests upon the question of what the proper ratio of journeymen to apprentices is for the market as a whole, in view of the expected growth of the industry and the gains and losses due to migration. As a relatively larger percentage of the total number of journeymen in the market come to be employed by larger firms, the rule becomes more restrictive in spite of the fact that a majority of the total number of shops are still small scale and do not employ more than three or four journeymen. Nor is the argument that the majority of employers do not wish to employ apprentices a final justification of a restrictive rule. Contractors say that the five-year training period is between 20 and 30 per cent longer than is needed adequately to train youths in the technique of the work, and that this fact, combined with the fact that the employer must keep the apprentice during his training period unless permission of the union to drop him or turn him over to another employer is obtained, deter them from hiring boys. Also the fact that even a

"majority" of employers do not wish to be troubled with the training of youths does not mean that a few of the larger plumbing contractors would not hire enough, were they permitted to do so, to offset the number not taken by a large number of small contractors.

It is proper to raise the question of why a rule of this type, cited as one of the examples of actual restriction, has not been eliminated through the process of collective bargaining. Several factors enter in the case of the Plumbers' restriction, one of them of more or less accidental character and not of general application. It will be remembered that from 1911 to 1921 the Plumbers' Union was in an exceptionally strategic position to control not only terms and conditions of employment in its own trade, but the policies of unions throughout the industry. Mr. O'Donnell, of the Plumbers' Union, was head of the Building Trades Council, and in this position was able to direct to an extent the policies and actions of the various member unions. It is not improbable that pressure of a few of the general contractors upon the members of the Master Plumbers' Association was in the direction of acquiescing in the demands of the union—a pressure coming because of the potential power of Plumbers held over the policies of the Building Trades Council. In the second place, there is the fact that contractors have not been willing to make any great sacrifice to have a rule abolished when the cost could be passed on to the public. It is true, however, that in a great many cases the desire of the contractors to hire apprentices rather than journeymen would not be great enough to induce them to make any material sacrifices, even had the industry not been blessed with its inherent "cost plus" characteristic. The poorer workmanship of boys, the restrictions upon the kind of work they have been allowed to do, and the general annoyance of training them have largely offset the difference between their wages and those of the journeymen. Perhaps this

factor is one that argues not so much for a less drastic ratio as for a removal of vocational education entirely from its traditional basis of training in the trade and for the establishment of training schools more along the lines which are being approached by the Steamfitters, Carpenters, Painters, and Electricians.[10] Finally, there is the fact that the migration of plumbers to Chicago has nearly always been great, and at certain times the failure to train a sufficient number of workers in Chicago may have been a factor inducing journeymen to come to the city.

The Plumbers limited output by definite rules prior to the lockout of 1900,[11] but in recent years output has not been restricted quite so openly. Officials have invariably professed the policy of "doing a fair and honest day's work," but the complaint that by tacit understanding work has been slowed down to considerably below a "fair and honest" amount each day has been made by the architects and by some, although fewer, contractors. In some periods, especially when work has been abundant and employers have been competing for men, it is clear that output has been limited more than has been necessary to protect the health of the worker. Likewise, the rules regarding machinery and improved technological processes have been less rigid in the case of the Plumbers than have their apprenticeship restrictions. Prohibitions against the cutting, measuring, and threading of iron pipe of specified diameter (⅛–2 in.) by machine were incorporated in the agreements between 1911 to 1921, as were restrictions in regard to the use of substitutes for ferrules and brass soldering devices. The motive back of these regulations, like the motive back of a majority of prohibitions against the use of certain tools and restrictions against work being taken from the job to the shop, has been that of preserving the craft for its own

[10] See pp. 174–78.

[11] *Report of the Industrial Commission,* VIII (1901), 407.

craftsmen. It cannot truthfully be said that the technique of plumbing has on the whole been retarded greatly in the last twenty-five years by either the rules or the unwritten customs of the union.

The rules and customs of the Chicago locals of the Brotherhood of Carpenters and Joiners are cited because of the importance of these organizations in the industry as much as because of the particular restrictions. The District Council of Chicago and Vicinity had a membership between 1911 and 1921 fluctuating between 18,000 and 21,000, and in May of 1926 some 29,500 members were claimed.[12] Hence the Carpenters' rules deserve special mention even though the restrictions have not been proportionately as great as those in the cases already cited.

A maximum of two apprentices to the contractor, with the specification that four journeymen must be employed before one apprentice may be hired, has been maintained by the Carpenters for more than fifteen years. The period of training has been four years, during two of which the apprentice's handling of tools has been somewhat restricted. A contractor taking on an apprentice has been required to guarantee that he will keep the boy until the training period has been completed unless he can prove to the District Council that he has reasonable cause, such as the backwardness or obstreperousness of the boy, for being absolved from responsibility. The policy of the Council in recent years with regard to the ratio of apprentices to journeymen, however, has been to make the limitation more of an elastic norm than a rigid requirement, and in a number of cases the contractors have been allowed more than two apprentices. The Carpenters have maintained a rule that contractors should not be allowed to work

[12] Interview with Charles Sand, secretary of Carpenters' District Council, May 15, 1926.

on the job unless holding membership in the union,[13] and have prohibited use by members of other unions of carpenters' tools.[14] The unions have officially taken the stand that they are opposed to a definite limitation of output but that contractors must sign a pledge against undue rushing which is to be jointly interpreted in its concrete application, and the provision that any contractor "guilty of excessive rushing" shall be fined has been incorporated for years in the three-year joint agreements. Subletting of work by the contractor, with the exception of stair work, has been prohibited; and a provision almost identical with that of the Painters has been incorporated into the agreement regarding the doing of subcontracting by any member of the union.

Regulation in the market as a whole.—Three of the foregoing cases, at least, represent the kind of restriction that has been practiced under working rules more drastic than necessary to provide decent protection for the workers. Special treatment of certain cases should not obscure the fact, however, that of greater import is the question of how restrictive the rules have been throughout the entire market. A certain amount of factual material needs to be considered before one is in a position to judge

[13] This rule, however, is as much one of the employers' association in this trade as of the union. Prior to the suspension of agreements with the Carpenter Contractors' Council as a result of the refusal of the unions to accept the Landis award, the employers' association was anxious to have the union prohibit contractors from working in order that the small independent contractors might not have this privilege. Between 1921 and 1926, when the Carpenters' District Council had agreements with a number of large contractors but not with the employers' association as an entity, the policy followed was that of permitting contractors holding union cards to work.

[14] This provision was one of those that were unsatisfactory to Judge Landis when he arbitrated the wage dispute of 1921, and his insistence that he be allowed to revise it was one of the reasons the Carpenters refused to go along with the Landis award. Agreements for trades accepting the Landis award in 1921 were revised so that nothing should prohibit workers in one trade using tools "the same as or similar to" those used in their own trade.

whether the rules, outside of certain outstanding cases already cited, have really put great hardship upon the industry.

In general the apprenticeship rules have established training periods varying from three to five years, and have allowed, on the average, something more than one apprentice for every four journeymen. The number of apprentices has been limited in the sheet-metal trade to one for the first three journeymen, two for the first five, three for the first eight, and the same proportionate increase as the number of journeymen increases, on strictly shop work. On outside work, "when and where the nature of the work requires it," more apprentices have been permitted, with the stipulation that under no circumstances should there be more apprentices or helpers than journeymen on any one job. The Architectural Ironworkers have allowed one apprentice for every two journeymen and the Steamfitters two apprentices for four journeymen, five for thirteen journeymen, etc. In the agreements of the Asbestos Workers, the number of apprentices has been restricted to one apprentice for every three journeymen with a minimum of one apprentice guaranteed each shop. The Structural Ironworkers, like the Architectural Ironworkers, have allowed one appentice for every two journeymen, while the Journeymen Stone Cutters have permitted the employer to have one apprentice provided he has employed an average of two journeymen for the preceding year and two apprentices if he has employed a yearly average of ten journeymen, but in no case has the number of apprentices been allowed to exceed two. The agreement between the Mosaic and Encaustic Tile Layers and their employers before 1921 provided that the Joint Arbitration Board in this trade should have power to appoint six "improvers" each year, these improvers being apportioned to the shops desiring their services.

The time that must elapse before the apprentices can become journeymen is another factor that must be taken into con-

sideration. In general, the period of training, from three to five years, has brought as much criticism upon the unions as the actual restriction by ratios or shop limitations. The Gasfitters, like the Plumbers, have required a five-year training period. The Sheet Metal Workers have established the minimum of "not less than four years." Apprentices of the Architectural Ironworkers have been required to serve four years before they can be classed as journeymen, and if, at the end of that time, they failed to pass the required examination they have been granted an additional six months of training. Failing the second time, apprentices have not been allowed to become journeymen. The Steamfitters have required the apprentices to serve five years, part of each week being spent in school, and to pass an examination before a board composed of both contractors and union officials. The Structural Ironworkers and the Journeymen Stone Cutters, like the Carpenters, have had apprenticeship periods of four years with the requirement of examination at the end of the period.

The foregoing ratios of apprentices to journeymen indicate that for the industry as a whole the supply of workers has not been running short of the demand; and these ratios in general should be weighted more heavily in one's final appraisal than the special cases of apprenticeship restriction that have been cited. One very rough-and-ready test of the proper ratio of apprentices to journeymen that has frequently been applied is a comparison of the total number of gainfully employed men of journeyman age with the total number of apprenticeship age. Census figures show that this ratio is about 5 to 1, and the consequent supposition is that for the country as a whole and for a static society the training of one apprentice for every five journeymen would be sufficient. Allowances must be made, however, for the expansion of industry, the peculiarities of the market and trades one is considering, the average employed period of the journeyman's

life, and migration into and out of the market. The Chicago building industry has expanded more rapidly than the industry throughout the country, and on this basis a somewhat more liberal ratio of apprentices seems to be called for. On the other hand, migration into the Chicago market is much greater than migration out. There are no accurate data on the exact number of journeymen who come to the city and those who leave, but the growth of the wage-earning population in Chicago points to the conclusion that immigration is greater than emigration. Many of those who come into the market carry union transfer cards and hence, under the rules of the international unions, are eligible to work under closed-shop conditions in Chicago. In the second place, the average journeyman's working life in the construction industry is relatively long. Men who become carpenters or bricklayers or electricians tend to remain in these trades for life. Work is not hazardous in a majority of the trades, although an exception should be made in the case of the structural ironworkers. Occupational disease in the building industry is not a factor of great importance, and accordingly the need of replacement does not occur so frequently. Probably the chief basis for criticism, if one eliminates the special cases that have been discussed in some detail, lies in the limitations upon what apprentices may do and in the time that must elapse before the apprentices become journeymen. Presumably the only criteria to be applied to these matters should be the limitations upon handling of tools and kinds of work necessary to insure good workmanship and the amount of time necessary for well-rounded training. If allowance is made for the expansion of the industry and for the relatively long periods of training, however, probably one apprentice to every four journeymen would be considered a fairly liberal ratio—and this approximation does not take account of the relatively long working life of the journeyman or of the excess of immigration over emigration. In the majority of

the cases more than one apprentice has been allowed for every four journeymen.

A discussion of apprenticeship should include some mention of the efforts that are being made, sometimes by the unions alone and sometimes by unions and employers working in co-operation with the city-school system, to work out programs of vocational education. Increasing recognition of the need of systematized training has been taken since the war, and the more typical of these plans merit consideration in some detail.

An apprentice in the steamfitting trade is under the supervision of a joint board representing the union and the employers' association.[15] After serving six months on probation and proving satisfactory to his employer, he is assigned to regular classes at Washburne Continuation School, which is conducted by the Chicago Board of Education and which qualifies for aid under the federal Smith-Hughes Act. The apprentice must attend school with full pay from his employer one full day of eight hours every other week during fifty weeks of the year. Mathematics, science, mechanics, mechanical drawing, and English as pertaining to heating, ventilating, power-plant work, hydraulic and industrial piping, and the work of the steamfitting trade are the subjects making up the curriculum, while "his [the apprentice's] social and civic obligations are presented in an informal manner as opportunities occur."[16] The general aim of the course has been summarized by the supervisor of apprentices for the Joint Arbitration Board as being

> to familiarize the apprentice with the mathematics and science of his trade so that he may be able to understand and work out the problems he meets daily; to enable him to understand the principles of heating systems, power plants, hydraulics and industrial piping, methods of improving the construc-

[15] From information furnished by Mr. W. H. Davies, supervisor of apprentices for the Joint Arbitration Board, in a letter, and by Mr. Charles Rau, business agent for the union, in an interview.

[16] Letter from Mr. Davies.

tion of pipe layouts, and the reason for the location of traps, valves, and special ties, and to understand possible reasons and remedies for faulty working conditions. . . . . The English taught enables him to use the information found in handbooks and trade journals published for his particular trade, to write letters in good form reporting conditions of work, asking for information, ordering material, and to be familiar with terms which enable him to interpret specifications.[17]

Regular work of the higher classes is supplemented by occasional lectures by representatives of engineering firms and supply-houses and by visits to power plants and important jobs under construction. The apprentice's school work, coupled with a written and oral examination before the Joint Arbitration Board in this trade, composed of an equal number of employers and union representatives, and a written statement of his ability from the employer for whom he has worked constitute the final test of his ability to meet the requirements of the trade in a satisfactory manner and to qualify for journeymanship. Apprentices failing to meet these requirements in a satisfactory manner are reassigned to apprenticeship and to school for an additional period of from six months to one year.[18]

Under a supplementary agreement between the Steamfitters' Protective Association (the union) and the Employing Steamfitters' Association of Chicago, the union has also agreed to furnish the

required number of apprentices in the steamfitting trade, with a view of taking care of the shortage that might be created through the growth of the trade, disability, or incapacitation through old age and death. This has been

[17] *Ibid.*

[18] *Ibid.* Mr. Davies also comments: "The success of the steamfitter apprentice classes at Washburne is shown by the interest the apprentices have manifested, their willingness to do home work, and the increased demand for text books and literature pertaining to their trade. Very satisfactory progress and advancement in school work, as well as excellent records of attendance are the rule. The continually higher standard of applicants applying for entrance into the trade speak well for the new things that appear to have been brought into the trade through the school work."

done with a view of supplying the trade with a sufficient number of men so that the interest of the contractors and journeymen will be mutually safeguarded.[19]

Virtually all the contractors who are members of the Employing Steamfitters' Association believe that the system of trade education has raised the standards of workmanship and at the same time has provided an ample number of new workmen to meet new demands.

Experience of the Bricklayers, who operate their own trade school, indicates that the general contractors for whom the bricklayers and masons generally work are not anxious to assume the responsibility of training youths. In Cook County there are about six hundred contractors employing bricklayers, each of whom can, under the joint working rules, hire three apprentices—a possible total of eighteen hundred. The fact that there are only about four hundred such apprentices indicates a reluctance on the part of the general contractors to assume this responsibility.

The Bricklayers' school has been in existence since 1911, although it was practically suspended during the war. Between one hundred and one hundred and fifty of the four hundred apprentices in the city attend the school, which meets for two-hour sessions one night a week. Although it has always been exclusively a union institution, independent of both the contractors and the city continuation system, the union has a number of times indicated its willingness to transfer the school to the city continuation system on the same basis as that worked out by the Steamfitters.[20] The school has attempted little more than strictly technical training, the course consisting of a series of graded problems which show the placing of brick in houses,

[19] *Ibid.*

[20] Information obtained from the Public Continuation Schools Division of the Chicago Board of Education.

office buildings, and sewers. For the past several years the school has maintained a faculty of six teachers and the principal. A supervisor of apprentices is employed by the union whose duties are the taking up of any grievances, seeing to it that the apprentices' dues are paid, and looking after all routine matters. When an apprentice has trouble with his contractor an attempt at settlement is first made by the supervisor, and if this fails the matter goes to the Joint Adjustment Board.

For a boy to become an apprentice in this trade, all that is necessary is that a contractor hire him on a short trial. The union charges an entrance fee of four and a half dollars and dues are two and a half dollars quarterly. All apprentices are registered with the National Headquarters in Indianapolis. No apprentice may leave his contractor without consent of both the union and the contractor. The examination admitting the apprentice to journeymanship is before a committee composed entirely of union officials.

The electrical contractors of Chicago and Electrical Workers' Local No. 134 have worked out a system of trade education analogous to that established by the Steamfitters. All apprentices of the local are required to serve a four-year period, subject to a reduction to three years and nine months when the youth has an unusually good record. Apprentices attend the Washburne Continuation School one day every two weeks, the contractors being required to pay the apprentice two dollars for the day he spends in school. In a number of cases, however, the contractors have voluntarily paid the apprentice his full wages for the day spent in school.[21] Instruction is given by four teachers in the employ of the Board of Education, while the necessary equipment is provided by the union and contractors. The enrolment for the past two years has averaged between five hundred

[21] From the records of the Public Continuation Schools Division of the Chicago Board of Education.

and fifty and six hundred, and the training has included layout and electrical installation projects, laboratory and shop work, mathematics, and electrical drawing.

Both the Painters and Carpenters, mentioned in the enumeration of cases of restriction, have established training systems along almost the same lines as those followed by the Steamfitters and Electricians. The school of the former was started in September, 1925, and had enrolled in May of the following year two hundred and six apprentices.[22] As a transition measure the old methods of training were retained during the autumn of 1925 and the first semester of 1926, but the intention of the Painters was that eventually every youth must be required to attend the school. Apprentices have been required to attend classes at the Washburne Continuation School one day a week, the instruction including work in the technique of wall-papering and painting, English, mathematics, and civics. The Painters' system differs from that of the Steamfitters in that no formal co-operation has been worked out with the contractors, and the school is under the joint supervision of the Vocational Training Division of the city-school system and the Painters' District Council. Although the contractors have not become responsible for the administration of the school, they have been practically unanimous in encouraging the new departure and have in some cases, according to the supervisor of apprentices, manifested a greater inclination to take on youths than when the matter of training was left entirely to the contractor and his journeymen. Officers of the District Council have also expressed the belief that the establishment of the school has resulted in the recruiting of youths of higher caliber as apprentices. The system of the Carpenters is virtually identical with that of the Painters.

Limitations upon output, like apprenticeship regulation, should be considered in the industry as a whole as well as in the

[22] Interview with Mr. A. L. Clark, supervisor of apprentices, May 15, 1926.

special cases that have been discussed. It is always difficult to determine quantitatively just to what extent output limitation is being practiced at any given time, for the great bulk of restriction comes not through definite rules but through tacit understanding on the part of the workers. Contractors have complained periodically that the workers "are not doing an honest day's work."[23] Not many of the trades, however, have put such rigid limitations as have the Lathers during the more than a quarter of a century that has elapsed since the lockout of 1900. In spite of the "cardinal principle" that there should be no limitation upon the amount of work a man should do during a given day, forced upon the workers in 1901, it has always been found impossible in this industry—and in a majority of industries, for that matter—to keep up production standards during a period when there is a paucity of workers. At various times, it is true, the Plasterers, Bricklayers and a few other unions have made no secret of the establishment of a quota of daily work, but generally their limits have been rather broad and elastic ones. Indirect limitation upon output has been achieved, also, by rules relating to the use of machines and tools and by certain blanket enunciations written into the working rules as "interpretations" of the cardinal principle regarding limitation of output. The Hod Carriers and Laborers, for instance, carried in their joint

[23] Typical of the complaints of the contractors is the following excerpt from the August, 1925, *Bulletin of the B.C.E.A.:* "One contractor, discussing the subject of high wages, recently made the statement that there were only three trades in the building industry that he could conscientiously say were earning the wages they were getting for an eight-hour day. . . . . Several other trades he mentioned were absolutely wasting time, coming late to work, quitting before the time they should, having arguments and discussions on the job, killing time constantly at the expense of the employer and owner. These trades, he stated from his own personal observations, did not work on the jobs he visited in any instance more than four hours a day and were not entitled to the pay they were drawing for an eight-hour day." Complaints of this nature have been made regularly since before the lockout of 1900.

agreement for several years an interpretation of this principle to the effect that "this means men employed in this line will do a fair and honest day's work." The Plasterers have insisted upon writing into their agreement the dictum that "foremen are to treat their men as human beings and not as brute animals." Rules prohibiting time and motion studies and the use of daily time sheets, while having their inception primarily in the traditional antagonism toward and fear of various "scientific management" plans, have sometimes provided mechanisms for accomplishing certain limitations upon work. Before 1921 Electrical Workers No. 134 had the rule: "Members of Local No. 134 shall not be allowed to enroll themselves under clock system or time clock system for checking."[24] Employers in this trade were required to employ at least two men constantly throughout the year. The Slate, Tile, and Asbestos Roofers' Union has also limited the employer as to the number of men he may employ, by the requirement: "All work over twelve squares shall require three slate, tile and asbestos roofers." Regulation of output through rules pertaining to the use of machinery and tools has been frequent, but it cannot truthfully be said that this regulation has gone to the point of restriction in a majority of cases. The Hoisting Engineers, before being declared "outlaw" in 1921, had the working-rule provision that "no more than one concrete mixer, five horsepower or less, shall be operated on the same job without an engineer in charge, and any concrete mixer with a lever attached, regardless of horsepower, shall require an engineer."

It would not be true to say that none of these limitations upon output has gone beyond what has been necessary for protection of the workers against speeding and "man killing," but it should be pointed out that the same rule may at one time be a means of legitimate protection and at another of antisocial re-

[24] This provision has been dropped from the Electrical Workers' agreement since 1921.

striction. In other words, a rule that is in itself innocuous may be a convenient instrument with which to effect limitation of output when market conditions are favorable; but this limitation is a product of the market conditions, a result of a more or less accidental conjunction of forces at a given time, and the rule is merely the most convenient instrumentality. In those cases where the rules have been used at times as weapons of abuse, it is altogether probable that nearly as much restriction would have occurred in the absence of the rules, for if market conditions are conducive to a spreading of work the group feeling that it is mutually advantageous to follow a policy of "going easier" is generally all that is necessary.

For the industry as a whole it is not possible to make a strong case against the unions on the ground that they have interfered greatly with the employer's "business rights," unless it is assumed that those concessions the employer always has to make when any degree of collective dealing and industrial constitutionalism has been established are unwarranted usurpations of his prerogatives. Prohibitions against union members becoming contractors might be enumerated in detail, but it is sufficient to point out that the sum-total effect of the numerous rules throughout the industry regarding this matter has been to remove the temptation to union members to do work on an individual basis which would be little more than piecework. A considerable number of the organizations permit a member to turn in his card and remain on the "inactive" list for a definite period if he wishes to become a contractor; and always there is the fact that a man can sever his union connection if he is certain that he wants to take up contracting as a permanent business. It is worth recalling in this connection, also, that perhaps more than half of the subcontractors in Chicago are former union men, and many of them still carry the union card.

Perhaps a slightly stronger case can be made against the

common rule that contractors must not work on the job. This provision, which the arbitrator of the 1921 wage dispute denounced, grew up in a majority of the trades about the time of the Chicago World's Fair, when the scale of production was much smaller than it is today, and is one of those regulations which have not been got rid of in the process of collective bargaining. Agreements in trades including more than half the mechanics in the market before 1921 either prohibited the contractor from working or made his working contingent upon the employment of a certain number of journeymen. With the development of the industry there probably has not been as much ground as there once was for the fear of the workers that considerable unemployment would be occasioned by permitting the contractor to work, but there still remain a large number of subcontractors who, were they permitted to do manual labor, would discharge one of their two or three journeymen. Probably the chief justification of this rule must rest upon the ground that regulations upon entrance to the trade are not in themselves sufficient to keep the number of workers down to a middle course between shortage and excess, and that this additional protection of the worker's job is needed. The method is, of course an antiquated one and, granting its need, can be considered little more than a makeshift. But the enumeration of apprenticeship rules throughout the industry, as contrasted to those of the trades treated specially, indicates that while ratios on the whole have not been greatly restrictive they have, at the same time, provided a fair amount of protection against undue glutting. It is true that abolishing the prohibition against the contractor's working might occasion considerable maladjustment of the labor supply for a short time, but by gradual steps this prohibition might be eliminated.

Possibilities of readjustment.—The hope underlying the foregoing paragraphs is that some understanding may be given

to a maze of rules that have often appeared to persons not familiar with the industry as being anti-social, illogical, and in some cases purposeless. A majority of the rules grew up as a result of what the workers believed were acute dangers to their standard of living, security of employment, and healthful working conditions. It has been indicated how rules of this type have tended to remain after their purpose has been served, partly because employers in this industry are not under as great pressure to reduce costs as are employers in general and partly because the psychology of the business unionist is such that any relinquishment of gains once attained is difficult. An attempt has been made to present the attitude of the workers toward these rules and to set up some criteria by which restrictive rules, as opposed to those that should be considered only regulatory, are to be recognized; and individual cases of restriction have been presented in some detail.

A problem is presented by both those rules that have been merely regulatory and those that have been actually restrictive. In the case of the former, the question is one of how long rather antiquated devices will be necessary to attain what have been here considered legitimate objectives of the workers; it is not a question of whether these rules should be abolished before some substitute form of protection has been provided. In the case of the actually restrictive rules, the problem is that of what can be done to combat the tendency for them constantly to appear in an industry where collective bargaining cannot be counted upon to effect their removal after they serve the workers no legitimate purpose. The interrelationship of these two phases of the general problem is so close, however, and indeed the dividing line between regulation and restriction is such an uncertain one in particular instances, that what may be said in regard to one has bearing upon the other.

Apprenticeship regulations probably afford the clearest ex-

ample of the unhappy working of extremely rigid limitations. In an ideal—or at least in an ideally compromised—market, apprenticeship rules would presumably be based upon the criterion of what regulation of numbers is necessary to provide protection for the workers against an excess supply, on the one hand, and assurance against shortage, on the other. This determination should be made the basis for admission to the market; lengthening of the period of training longer than is necessary for adequate knowledge of the trade should not be resorted to as a means of buttressing the ratio. Closely related to this phase of the problem is the matter of the adjustment of the total number of apprentices permitted in a given trade to the varying needs of individual employers. The limitation of apprentices to a given number to each shop or contractor, regardless of the size of the shop or the amount of the contractor's business, creates a situation in which some contractors need more apprentices than they are permitted and yet for the trades as a whole a smaller number than is allowed are receiving training. Probably in some trades all contractors could be provided with as many apprentices as they need without increasing the total number allowed admission to the market were some plan worked out whereby larger contractors could hire apprentices in proportion to the extent to which the smaller employers do not hire the number allowed them.

The question of what instrumentalities may be utilized in bringing about an adjustment of apprenticeship regulations along the lines suggested in the preceding paragraph cannot be answered with any satisfactory degree of definiteness. Probably there has been a greater recognition throughout the trade-union world in general during the last four years of the need of eliminating wasteful and antiquated regulations than there was for a decade before the war, and one should not adopt an attitude of utter cynicism toward resolutions like the one passed at the 1925

Convention of the American Federation of Labor. For reasons already indicated, however, it is not likely that the "new viewpoint" regarding waste in industry will permeate the Chicago construction locals as rapidly as it will other industrial groups. Probably the first step will be to convince the rank and file that they should abandon the method of buttressing their ratios with long apprenticeship periods and should determine the period of training solely upon the basis of what time is needed for satisfactory trade education. A second step will be the working out of some program whereby the limited number of apprentices to every shop will be abandoned and the number permitted to enter the industry as a whole will be adjusted, within the limits of reasonable regulation upon entrance, upon the basis of the varying needs of individual contractors. Finally, there is still the problem of regulation of the total number entering the trades so that an excess will be guarded against. Education of the workers to the necessity of taking the first two of these three steps will necessarily be a slow process. In some cases, not much can be hoped for until a new and different type of leadership appears. It is possible that as training becomes more systematized and as a new generation of workers, the product of the improved systems of training now being inaugurated in a few of the trades, comes into control of the unions, there will be a recognition that an adherence to rigid but at the same time unscientific regulations is not the best way to provide the protection the workers need. And it is not impossible that under the friendly and unobtrusive suggestion of a group of persons outside the industry in whom the workers had confidence, a general scheme of training for the industry as a whole and a joint plan for gradual readjustment of the apprentice regulations along the lines that have been suggested might be worked out.

This chapter has indicated that there has been little interference with the "business rights" of the employer, in spite of the

frequent complaints of this nature, except in so far as the institution of collective bargaining always involves a certain amount of concession and sacrifice of autocratic prerogatives. There are, however, problems still to be solved in regard to the customs and rules that have limited output and placed restrictions upon machinery and tools. The difficulty into which this question invariably leads third parties who are looking at the problems from the viewpoint both of the welfare of the workers and of the economic efficiency of the industry is the lack of any definite or generally understood standards of what is a "fair" production standard. A certain degree of legitimacy has been involved in the argument that regulation of output is necessary as a protection for aged workers. American industry has not yet been willing to assume the responsibility for industrial old age, and until it does, the workers feel, they must protect their elderly members by a makeshift remedy. Some of the employers in the market have given serious thought to the need of establishing a system of old-age pensions. If this plan should be adopted in the trades which profess as their reason for limiting output the need of "carrying" aged workers, the argument would be robbed of whatever degree of validity it now has. Before the great bulk of output limitation that comes through tacit consent and that correlates rather closely with the scarcity or plethora of wage-earners at any given time can be permanently and greatly minimized, however, it will be necessary that both workers and employers come to see and accept their responsibility for the maintenance of production standards. Other industrial groups are doing this, and it may not be improper to suggest that a group of citizens bending its energies in the direction of friendly education along this line could accomplish more for the permanent good of the industry than one whose purpose is that of keeping certain trades permanently open-shop.

CHAPTER X

ARTIFICIAL CONTROL

Combinations among the contractors and between them and the unions, whereby monopoly control of the industry has been effected, have been in large part a result of the characteristics of the Chicago market and of the building industry. The ability, inherent in the construction industry, to pass the cost on to the public, the strong organization on both sides, and the expanding local market that furnished, except during unusual periods, ample work for mechanics and employers if competition from the outside could be eliminated have been important factors in the development of such manipulative devices as exclusive agreements, "co-operative competition," "standardization of price and product," uniform cost systems, alliances between certain employers and certain business agents, and a myriad of more or less subtle schemes to which resort has been taken at one time or another.

The Dailey Commission declared in its *Final Report* in 1921:

> Competition [in the Chicago building market] is merely a recollection of a thing of the past. . . . . There is no independent bidding. They [the contractors] dictate their own prices, and the consumer has no alternative but to submit to prices arbitrarily fixed by the members of the organization. They have strangled the industry. Only the favored members of the organization can operate, and then in obedience only to the rules promulgated by the organization.

Testifying before the same investigating body a veteran Chicago contractor gave the following more graphic, if not so dignified, portrayal of what he declared were the conditions:

> I do not recall a line now not more or less circumscribed. That may be due to the fact that there is a good deal of education in these associations. . . . . If a fellow bids too low, he seems to be promptly looked up to see if he cannot be sold the idea he is making a mistake, or is not making enough money, or his children will suffer if he doesn't take my money at the time he is told to.[1]

In one sense, the combinations of the type discussed in this chapter are perhaps more directly a part of another major problem in American economic life—the so-called "trust problem"—than of union-employer relations. All of them, however, have a bearing upon industrial relations such that they cannot be ignored in a study centering around the problems growing out of collective dealing. One of the important types of combination discussed in the following pages has been effected through working relationships between union officials and contractors. Other types have a less direct bearing, but at the same time they have been so much a part of the environment of employer-worker relationships that they are almost equally deserving of mention. For this reason, those combinations which are less directly a part of industrial relations have been included in this chapter as well as those effected by direct union-employer connivance. The "trusts" (in the more popular usage of the term) discussed in the following pages are typical, to greater or less extent, of those in the building industry of practically every large city.[2]

Development of combinations in Chicago.—Combinations and exclusive agreements in Chicago have been a more or less constant part of the system. As far back as the nineties one finds record of the exclusive agreement whereby contractors were pledged to employ only members of a certain union in return for the pledge of the union to allow its members to work for no other

[1] Testimony before the Dailey Commission, April 11, 1921.

[2] See *Final Report of the Lockwood Commission* for an account of similar combinations in New York.

contractors. The Masons and Carpenter Contractors in particular were said to have entered into such agreements, which are the clearest examples of simple monopoly, with the unions in these trades.[3] The combinations, efficacious as they undoubtedly were most of the time, did not always result happily for both parties. In 1898 the Carpenters found that the employers' association, with which they had entered into an exclusive agreement, was not able to provide work for all members of the union, and the exclusive agreement was dropped at the instigation of the union. Another typical early agreement was that between the Sewer Builders Association and the Bricklayers and Stone Masons Union, entered into on April 1, 1899, a combination that served to secure for the union a monopoly of the work and for the employer the assurance that competitors not members of the association could not procure the services of union workers—and the union then included approximately 90 per cent of the workers in this trade. Similar agreements with the same union were entered into by the Masons and Builders Association.[4] At the time of the 1900 dispute the mill-owners (in the carpenter trade) were put in a difficult position because of the combinations into which they had entered. On the one hand, they had made agreements not to furnish materials for jobs where non-union labor was employed, in return for which promise the unions agreed that they

[3] *Report of Industrial Commission,* VIII, 429.

[4] A quarter of a century later the business agent for the Masons and Builders Association during the early period described the way these combinations worked: "If there was a building to be put up, if it was not put up, and the man did not belong to the bosses' association, that building did not go up. If it did go up, it cost the contractor from one to two dollars more a thousand for brick. . . . . There was a delegate from the bricklayers' union and the stonecutters and the carpenters and the plumbers and we met at the bosses' association. Twenty to fifty dollars apiece was handed out and divided four ways . . . . and we went out to the building and pulled off the labor and if necessary put someone out the second story window into a sand pile. The bosses financed that and organized it with the unions" (testimony before the Dailey Commission, March 25, 1921).

would not work on material furnished by out-of-town non-union concerns. On the other hand, the manufacturers and mill-owners had made agreements with the building contractors according to the terms of which the contractors, in return for a rebate, were to buy their materials only of firms in the combination. The materials men found that they could not keep their agreement with the union without violating the agreement with the employer. As might have been expected, they finally sided with the contractors in the dispute of 1900, but the anomalous position in which their agreements placed them is indicative of the way such combinations may at times react.

With the development of the Chicago market the combinations became more perfect in mechanism and more numerous. The combinations which reached their point of greatest efficacy just before the general upheaval of 1921 can be divided into two broad classes. In the first place, there have been agreements among the materials men, mill-owners, and contractors, as well as such devices as "co-operative competition," open-price plans, statistical bureaus, cost systems, standardization of price and product, and the exchange of ordinarily secret information among nominal competitors. In the second place, there have been agreements between the unions and employers' associations, some of which have resulted in keeping non-union goods out of the Chicago market and hence—when these goods were manufactured in another state—in an interference with interstate commerce.

Exchange of cost information and selling prices.—One of the more common devices thwarting the "natural laws of competition" has been the exchange of cost information and selling prices among competitors. Within each of the nine divisions of the Lumbermen's Association of Chicago, according to testimony given before the Dailey Commission, information on bids submitted has been exchanged among all members. In Division

A (Pine Yard Dealers) prior to 1921 frequent meetings were said to have been held, the members meeting around a table with wholesale prices before them, figuring the delivered prices in Chicago and the overhead, and finally arriving at a "white list" of wholesale prices and overhead costs for each member, which has been printed and distributed. The secretary of the Chicago Building Materials Exchange, an association described by its business manager as "an association of retail distributors of certain building materials such as sand, gravel, stone, cement, lime, flue lining, and plaster, and in fact everything except lumber, coal, and brick," was required by Article 6 of the constitution to keep advised as to the price, both list and actual, at which building materials in which members dealt or were interested were sold, and to furnish this information to members when requested to do so.[5] The American Face Brick Association, according to the testimony of one of its officers, maintained an "open price by-law" in its constitution, making it obligatory upon members to file with the secretary copies of quotations which had been made by them. A slightly different variety of information exchange has been practiced by the Master Plumbers' Association according to the *Final Report of the Dailey Commission*,[6] each member being under obligation, when asked to bid upon a particular piece of work, immediately to notify the Sanitary Engineering and Credit Association—a body said to be owned, controlled, and officered by the Master Plumbers' Association—and to forward to them a memorandum called the "credit slip." It should be said that the master plumbers of Chicago have contended that the purpose of this arrangement has been merely to secure credit information concerning prospective bidders; but one cannot ignore the fact that this plan, if it worked out in the manner the *Report of the Dailey Commission* indicates, pro-

[5] Testimony before the Dailey Commission, April 19, 1921.

[6] See *op. cit.*, p. 36.

vided the Association with the names of the bidders upon any particular piece of work. Upon bidding, the contractor has submitted his plans and bids to the Association, where they have been checked up by the Engineering Department of the Sanitary Engineering and Credit Association. The Terra Cotta Association has been said to have had an elaborate system for distributing information concerning bids, and has, according to the testimony of one member, held meetings "to arrive at some method of figuring where we could get the units down the same."[7] The Master Steamfitters Association has requested its members, in figuring upon any job involving installation of a boiler, according to information given the Dailey Commission, to follow a chart compiled by its Standardization Committee giving ratings of the various boilers manufactured throughout the United States. In addition, the Association has been said to maintain a Credit Exchange Bureau to which a member who has been requested to bid upon a certain job must forward a slip requesting information as to the credit of the owner of the building. The Standardization Committee has also checked up the plans submitted by members, and the contractors bidding upon a particular job have therefore been in a position to figure upon the same basis.

Allotment of work.—A second manipulative device which has been used in the Chicago market is that of allotting a certain amount of work to each member, he being obliged to pay into the treasury of his trade association a percentage of any receipts over his allotted amount and being compensated for a percentage of any extent to which he may fall below his allotment.[8] Al-

[7] Testimony before the Dailey Commission.

[8] Art. 7 of the constitution of the Chicago Retail Lumber Dealers Association, a subdivision of the Lumbermen's Association, has read: "A fund is hereby established, called the 'General Fund.' Each member whose shipments of retail trade sales are more in any month shall pay into the general fund ten percent of the amount of his overshipments for that month, and each member whose ship-

lotments have generally been based upon the amount of business a firm has done over a period of years previous to the determination of allotments. A practice very nearly akin to the allotment plan has been that of dividing Chicago into different parts or districts, no materials dealer who is a member of the association being allowed to sell out of his designated territory and no contractor or other buyer being able to purchase the material from a materials dealer outside his own district.[9] Still a third variety of allotment has been found in the practice of materials dealers of refusing to sell to the general public or to any except members of a contractors association, in return for which the members of the contractors' association have agreed that they would purchase from none except materials dealers parties to the agreement.[10] In its essence, of course, this is merely a continuation of the type of combination prevailing during the nineties; but

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ments of retail trade sales are less in any month shall be paid out of the general fund ten percent of the amount of his undershipments for that month down to seventy-five percent of his allotment for that month" (testimony of the secretary and manager of the Chicago Retail Lumber Dealers Association before the Dailey Commission, April 18, 1921).

[9] The following testimony relative to this practice was given to the Dailey Commission by the engineer of one of the large office buildings in Chicago on April 11, 1921: "If a contractor wants brick delivered on the Northwest Side and he has been purchasing it from the Calumet Brick Co. in Blue Island on the South Side or on the Southwest Side, it is more than likely those brick would be delivered by one of the manufacturers in the Northwest District. . . . . Chicago common brick are sold in Indianapolis for less than in Chicago. . . . . No outside brick is shipped into Chicago. . . . . It could not get a market."

[10] An architect testified before the Dailey Commission on May 16, 1921, as follows: "You cannot buy plumbing unless you buy it from the plumbing contractor. You cannot buy it from a plumbing fixtures firm. It is this way: They say, 'If you will agree not to sell to the public or architect or owner we will agree not to buy from anybody except the coterie of men.' The plumbing fixture firms belong to the Central Supply Association and they have an agreement that they will sell to no one except a plumber."

it also involves an element of allotment of work so far as the materials dealers are concerned.

Pooling and "framing" of bids.—Pooling and "framing" of bids constitute a third variety of "artificial control" charged against the Chicago building trades. Under this system, it has been said, certain contractors—perhaps all members of a trade association or perhaps a favored inner group—have met, determined upon a price, and then designated the contractor to whom the job was to be allotted. The figure submitted by the selected bidder has been agreed upon and others have submitted higher bids, the figure of the designated contractor being high enough to allow a margin of profit to be distributed among the unsuccessful bidders.[11] A closely related practice has been the maintenance by some employers' associations of a "corps of estimators," whose duty it has been to do most of the estimating for contractor members who are asked to bid upon any particular job.[12]

"Co-operative competition."—The workings of that variety of artificial control generally denominated "co-operative competition" have been exemplified most clearly in the Chicago brick industry. Operations in Chicago have been controlled by the Chicago Face Brick Association and the local members of the American Face Brick Association. The former is an association of only eight members, but these eight members have controlled considerably more than half the face-brick trade in the city.

[11] "I had a job to let. Finally a fellow came into my office. . . . . He said, 'Do you want to let that heating and ventilating?' I said, 'I don't have to let it till we are ready to start the job.' He said, 'If you do, don't ask me to give you an estimate in writing but if you will give me the job I will take it for $27,500. . . . . I will split it.' It was the amount the contractors' association had saddled on the job. He said, 'I will split it, but I cannot give you a written bid.' . . . . I said, 'I don't want to do business that way'" (testimony of a Chicago architect before the Dailey Commission, May 15, 1921).

[12] *Final Report of the Dailey Commission.*

Each member, according to the *Final Report of the Dailey Commission,* has been required to send in daily a list of the sales made by him the previous day, a copy then being sent to each other member. Each member has filed his price with the other members. The scheme for maintaining the price of common brick has been even more ingenious. Prior to 1910 there was real competition in the common-brick trade. At that time a Mr. B. C. Penfield came from the East "to look over the Chicago common brick industry and work out some plan for placing it on a sound basis." The plan to which he is said to have resorted[13] was that of buying a machine supposed to decrease the cost of setting brick, leasing the machine to some of the Chicago manufacturers, forcing the other companies to sell out to the firms that did lease the machine, and then organizing the remaining into the Common Brick Manufacturers' Association. As a result of the successful prosecution of this scheme many going plants were purchased, dismantled, and put out of operation. The agency through which these plants were purchased was a reorganized corporation said to manufacture considerably more than half of the common brick in the Chicago district. Manufacturers selling their plants were required to agree not to re-engage in the brick business or to finance anyone else.

The success of these various devices has rested primarily upon the circumstance—very necessary and desirable so far as collective dealing between employers and workers is concerned—that the employers' associations have had the market well organized. Builders, fearing that it would be impossible to get any other contractor holding membership in the association to do the work,[14] often have not dared to have trouble with a contractor

[13] *Ibid.*, p. 23.

[14] A Chicago architect testified before the Dailey Commission: "The danger is that if you have trouble with a contractor on the job, and he lays down and does not finish your job, he can easily break you, because no other contractor will

because of the restrictive practices his association may have imposed. The system has emerged simply as a result of the characteristics inherent in the construction industry and of the circumstances in this particular market.

Union-employer working relations.—The alliance of the employers' association or individual employers with the union or business agent, a second broad type of artificial control, has come more into the public view than the manipulative devices of contractors and materials men, not because it has necessarily been more efficacious in promoting artificial control of the industry but merely because these alliances, less subtle in their nature, are more often outside the law. Exclusive agreements between employers and workers resulting in the boycott of non-union goods in the Chicago market can easily bring interference with interstate commerce, but there is as yet no Illinois statute making clearly illegal most of the combinations among employers, which are chiefly local in their workings.

Evidences of working alliances between employers who are members of the particular trade associations and the unions have not been lacking. Testimony taken by the Dailey Commission in 1921 showed that in some lines contractors not belonging to the associations encountered difficulties in getting labor and in

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step in and finish the job. . . . . This is confidential. They would tie me up [if they knew I were telling]. Or I would be slugged and killed. They would not stop at anything if they knew I was giving out this information. They would kill me as I stepped out of the courthouse or county building." In justice to the persons whom the architect designated as "they," one is tempted to offer the gratuitous comment that the fears of this architect that he was endangering his life by giving his testimony were about as exaggerated as the ante-mortem report of Mark Twain's death. While it is not certain that "they" ever heard of this particular bit of testimony, most of the Chicago business agents and contractors association heads know of this architect's activities and attitudes. He is not going to be slugged and killed or shot down as he steps out of the courthouse or county building.

the purchase of goods from supply-houses. In one trade a contractor member refusing to pay to the association the charge of 1 per cent on each job or refusing to submit his plans to the association was subject to expulsion and was, according to intimations in the *Report* of the same Commission, likely to experience very considerable labor difficulties; while at the same time it was impossible for him to purchase materials from the various manufacturers throughout the country. Another evidence of the close alliance between members of the employers' association and the business agent has been the rule that any prospective bidder not a member of the employers' association must, before he could get union men to work on any job, present his plans to the business agent of the union to the end that the stamp of approval by the union might be placed upon them. This has been nominally a union rule, but the investigating Commission implied in its *Final Report* that the employers have made it their business to see that it has been enforced.

Some of the business agents, it has been contended, have devoted at least part of their time to making it undesirable for contractors to remain outside of the employers' association in their trade. Several of the "outlaw" contractors have testified that they experienced unaccountable labor difficulties when they refused to become members of the employers' association, and that in some cases such trouble was followed by open solicitation from the business agent to join the "bosses association."[15] A

[15] "Three or four weeks ago we started a little house in Oak Park. . . . . The plumbing contractor appeared to put in the pipe for the water supply . . . . and the business agent for the plumbers [union] appeared and said, 'Now you must belong to the new association.' . . . . The plumbing contractor said, 'I don't want to belong to the new association. I belong to the old association.' Then the business agent said, 'I am telling you in a nice way you must belong to the new association or you can't get men.' In other words the union man was working to get men into the employers' association" (testimony before the Dailey Commission, March 25, 1921).

closely allied practice has been intervention by business agents on behalf of materials dealers whom they favor.[16]

In the strongly unionized Chicago market it frequently has been to the advantage of the contractors to acquiesce in the demand of some of the unions that none but union material be used. A large part of the out-of-town material is non-union, while most of the materials made in Chicago bear the union stamp. As a result, the famous Cardinal Principle No. 3 has often been as irritating to the materials men and some of the contractors as to the unions, and the practice of excluding non-union materials by unwritten law has been followed by several of the unions at various times.[17] Some of the Sheet Metal Contractors have always been sympathetic toward the efforts of Mr. Walsh of Local No. 73 to exclude out-of-town materials,[18] their reluctance to aid the Building Construction Employers' Association in its lockout order of 1914 against the Sheet Metal Workers having been sufficient to keep the order from being enforced.[19] In fact, Chicago has been closed, to all practical purposes, against non-union sheet-metal goods a considerable part of the time since 1910. A manufacturer of furnaces and sheet-metal goods, who described his establishment as being "non-union

[16] "Here is the X Plumbing Co. Y is one of the head salesmen in charge of the biggest place in Chicago. Y is a member of the plumbers' union. When he would bid on a big building Z and some more of the union went to the architect and said, 'We want Mr. Y to get the work,' and he got it—and somebody else got theirs" (testimony before the Dailey Commission).

[17] And the Carpenters formally excluded non-union materials in their 1918 agreement (see following, pp. 198–202).

[18] "Tom Walsh told me it was a thing he had been working on for years—to shut Chicago up to out-of-town materials. You see that the direct effect would be to benefit all the sheet metal contractors in Chicago" (testimony before the Dailey Commission).

[19] *Ante*, chap. v.

open-shop," declared that for several years prior to 1921 he found it practically impossible to instal his materials in Chicago.[20] Agents of the Electrical Workers, Terra Cotta Workers, Fixture Hangers, and Steamfitters have all been indicted in the Federal Court at Chicago for similar combinations with the employers' associations, the result having been, according to the indictments, restraint of interstate commerce. These combinations between employers and union leaders in particular trades as well as those on the employers' side alone merit somewhat detailed consideration, as they are illustrative of the practices that have been sketched in general terms in the preceding pages.

The Carpenters and Article 3.—Perhaps the most illuminating example of the particular variety of monopoly that comes with union-employer agreement to exclude from the Chicago market non-union materials is found in the 1918 agreement of the Carpenters. It will be remembered that the union had very reluctantly accepted the "cardinal principles" in the Uniform Form of Agreement in 1915, and when the three-year agreement expired in 1918 the Carpenters' District Council had the support of practically all the millmen in its efforts to have non-union materials excluded from Chicago. According to testimony introduced at the subsequent trial of a number of contractors, millowners, and union officials for violation of the federal Anti-trust Law, the millmen promised the union, on the one hand, an increase in wages, and the members of the Carpenter Contractors' Association, on the other, that if they would co-operate to the desired end a special trade discount of 25 per cent would be accorded to members of the Association. Apparently the contractors were extremely reluctant to make the change in their

[20] Testimony of this manufacturer before the Dailey Commission, April 18, 1921.

agreement,[21] and twice the proposition was voted down. When the Carpenter Contractors did vote in favor of the change, the third "cardinal principle" of the agreement with the Carpenters' District Council was made to read: "There shall be no restriction against the use of manufactured material except non-union and prison-made goods." The immediate effect was the exclusion of most of the out-of-town mill work and the "pulling" of jobs being done by contractors not parties to the agreement.

The experience of the leading firm fighting the prohibition on non-union materials is worthy of some mention.[22] Anderson and Lind, a Chicago firm, had for several years prior to 1918 purchased its doors from an open-shop firm in Kenosha, Wisconsin. As soon as the change in Article 3 had been effected, it found that contractors purchasing sash and doors from it were unable to instal them. One contractor testified in 1921 that he, being unable to buy trim elsewhere, gave Anderson and Lind an order of $8,100. He received the promise of the business agent for one of the carpenters' locals, so he testified, that there would be no interference with installation of the materials. When the

[21] "The mill men were in favor of Article 3. . . . . The union people talked in favor of it. . . . . The rank and file [of the Carpenter Contractors' Association] was against it and voted it down three times. . . . . They put it through after some meeting when the majority were not on the job. . . . . Contractors tell me it has simply boosted mill work sky high" (testimony of a former secretary of the Carpenter Contractors' Association before the Dailey Commission). A veteran Chicago contractor, who had been a member of the B.C.E.A., through the Builders Association and later affiliated with the Associated Builders, told the same Commission: "Article 3 was brought before the Carpenter Contractors' Association three times before it finally passed." The way in which the change in the third cardinal principle (generally referred to as "Art. 3") may have been responsible for the formation of the Associated Builders is discussed in chap. vii.

[22] Anderson and Lind was, of course, only one of the several firms fighting the situation created by the 1918 agreement. It was one of the largest, however, if not the largest; and its experiences are typical of the situation throughout the Chicago market so far as the "outlaw" materials dealers were concerned.

trim arrived on the job, however, the business agent arrived and "pulled every man off because I had non-union material." Finally, after a futile appeal to the attorney for the Carpenters' District Council, the contractor purchased elsewhere some $6,500 worth of union mill work. But one of the Cook County circuit judges was prevailed upon to intervene at this juncture, and to issue an injunction restraining the contractor from using any material except that purchased from Anderson and Lind. The union material purchased was a total loss to the contractor. Another contractor testified that he ordered mill work from Anderson and Lind, but that when a "walking delegate" appeared to protest his partner "fixed it up" with A (a business agent).

While the boycott on non-union goods worked with fair efficacy in Chicago, the prohibition resulted in the indictment and conviction, under the federal Anti-trust Law, of a number of mill firms and certain officers of the Carpenters' District Council. A considerable portion of the mill work manufactured outside of Chicago was non-union, and no small part of that coming into Chicago before the change in Article 3 was from firms in Wisconsin and Michigan. As a result, the union officials and mill firms were indicted for violation of the Sherman Anti-trust Law on September 2, 1921, and thirty-six of them were found guilty on June 30, 1923. A number of those found guilty paid fines of from $50 to $2,500 each on September 24, 1923. A minority appealed to the United States Circuit Court of Appeals, where the decision of the lower court was reversed and the case for these defendants remanded on July 6, 1925, upon the ground of variation in the allegations made in the indictments and the facts. The United States district attorney petitioned the Supreme Court of the United States to hear the case, in order that a final ruling might be obtained without the necessity of again carrying the case through the lower courts, the petition was granted by the Supreme Court late in 1925, and on November 23, 1926, the

Supreme Court of the United States reversed the decision of the Court of Appeals and upheld the conviction in the District Court of those who had appealed.

The fixture hangers' combination.—The indictment and trial in the United States District Court at Chicago of a number of union officials and contractors in the fixture hanging trade is illustrative of both of the two broad types of combinations in the building trades—combinations based upon trade practices of the employers' association and those based upon agreement between the employers and union officials.[23] The indictment against the union officials and contractors' association members was returned by a federal grand jury on April 27, 1915; the case dragged on for eight years, and finally on November 21, 1923, a few of the defendants were fined in amounts ranging from $500 to $1,000.

According to the recital of facts in the indictment, a large number of enumerated firms located outside of the state of Illinois had for five years or more preceding the returning of the indictment carried on the business of the manufacture, sale, and installation of gas and electrical lighting fixtures and supplies; except in so far as they had been prevented from so doing by the unlawful acts of the defendants, they had sold large quantities of their products in Chicago; and they had therefore been engaged in interstate trade and commerce within the meaning of the act of July 2, 1890 (the Sherman Anti-trust Law).

The contractor defendants had been, prior to the returning of the indictment, members of the Chicago Lighting Fixture Association, an association charged by the grand jury with having for its purpose

among other things of advancing, controlling, and maintaining the prices of fixtures and the installation thereof by the members of said Association in

[23] *U.S.* v. *W. J. Feeney et al.* Indictment No. 5632, District Court of the U.S. for the Northern District of Illinois, Eastern Division.

the city of Chicago; and the purpose of the Association also being to hinder, restrain, and prevent the installation of fixtures in said city by persons, firms, and corporations not members of said Association; a large part of said fixtures having been transported into Chicago from states other than the state of Illinois, and a large part of the persons, firms and corporations who are not members of said Association, and who were to be hindered, restrained, and prevented from installing fixtures in said city of Chicago having been firms and corporations located in states other than the state of Illinois.

Both the defendant companies and W. F. Claus, then business agent for Local No. 381 of the Fixture Hangers, and Fred Mader, in 1915 the assistant business agent for the same union, were charged with having engaged in a conspiracy to restrain the trade and commerce of the firms outside of Illinois, the means being that the officers and agents of Local No. 383 were, by agreement with the contractors, to influence and cause the members of Local No. 381 to refuse to instal fixtures for concerns, firms, and corporations not members of the Chicago Lighting Fixture Association, the indictment declaring that the union officers were to prevent such installation "by force and violence" when necessary.

Other means of furthering the alleged conspiracy, as charged in the indictment, were: (1) the raising, controlling, and maintaining of prices of all fixtures installed in Chicago; (2) the hindering, restraining, and preventing of the installation in the city of Chicago of any fixtures by any person not a member of the Association; (3) the influencing and causing of the electrical workers, members of Fixture Hangers Local No. 381, to refuse to instal fixtures for any concerns not members of the Association; and (4) in case any persons not members of Local Union No. 381 attempted to instal fixtures of the outside firms, the preventing of such installation by force and violence.

Of the sixty-five corporate and individual defendants indicted in 1915, only seven were fined when ultimate disposition

of the case was made. On November 21, 1923, on motion of the United States attorney, the indictments against fifty-eight of the defendants were nolle prossed, the other seven withdrawing their pleas of not guilty and entering pleas of guilty.[24]

The electrical workers' combination.—An almost identical indictment, so far as the employer-union phase of the alleged conspiracy was concerned, was returned against a number of the electrical contractors, members of the Chicago Switchboard Manufacturers Association, and several officers of Electrical Workers Local No. 134, by the same grand jury that indicted the members of the allied trade of fixture hanging.[25] Certain enumerated firms located outside of Illinois, who had been selling their electrical appliances in Chicago, had been prevented from so doing between January 1, 1911, and the date of the indictment, it was charged, by an agreement between the officials of Local No. 134 and the indicted contractors.[26] The specific method of prosecuting the conspiracy was charged in the indictment as follows: "The defendants, officers and agents of Local No. 134, were to influence and cause the Electrical Workers, members of said Local 134, to refuse to and not to instal said electrical appliances manufactured in states other than the state of Illinois." Subsequent counts in the indictment elaborated the charge of a combination, stated that the defendants not only were to "but did" prevent the installation of the commodities manufactured outside of Illinois, and stated that they were to do so "by force and violence" when necessary.

[24] Those finally entering pleas of guilty and paying fines were W. J. Feeney, W. F. Claus, Fred Mader, D. J. Braun Mfg. Co., Central Chandelier Co., Moran and McNair, and W. J. Warner Co.

[25] *U.S.* v. *Michael J. Boyle and Others.* Indictment No. 5648, returned by the federal grand jury April 27, 1915 (from records of the clerk of the U.S. District Court for the Northern District of Illinois, Eastern Division).

[26] Not by the regular three-year agreement discussed in a preceding chapter, but by a separate arrangement with this group of contractors.

In its essence this combination was nothing more than a continuation of the old exclusive agreement of the nineties. In return for the promise of the union not to instal the goods of any manufacturer not affiliated with the employers' association, the union received, of course, the promise that none but union men would be employed. The combination lacked the element of price-fixing on the employers' side, and apparently there was some competition among the Chicago electrical contractors who were members of the association after they had acted in concert in preventing the independents from having their goods installed.

A number of the defendants were found guilty and fined in March, 1917. Mr. Boyle, the chief defendant, was sentenced to one year in the Chicago House of Correction on March 22, 1917, but later was pardoned by the President of the United States.

The steamfitters' union-employer combination.—Forty-four members of the Chicago Master Steamfitters' Association and of the steamfitters' local were charged with violation of the Sherman Anti-trust Law in an indictment returned by the federal grand jury on April 29, 1921.[27] The indictment charged that the "prime object" of the Chicago Master Steamfitters' Association during the three years prior to the returning of the indictment had been

> to secure to the members thereof all said business of furnishing and installing said articles [steamfitting appliances] in Chicago, to the absolute exclusion of all others engaged in or endeavoring to start or carry on such business in Chicago or the business of supplying such articles to the general public.

To this end, it was charged, the defendant companies and individuals, members of the Association, had conducted their business upon a plan involving the purchasing of steamfitting articles

[27] *U.S.* v. *Chicago Master Steamfitters' Association* [*a corporation*], *Charles M. Rau, and Others.* Indictment No. 7902. District Court of the U.S. for the Northern District of Illinois, Eastern Division.

only from such manufacturers, wholesale dealers, and jobbers as had refrained from supplying these articles to master steamfitters and contractors not members of the association; they had taken upon themselves to notify such manufacturers, wholesale dealers, and jobbers "in such a way as to imply a threat of refusal by all said members to deal with them in case they supplied such non-members with articles"; and in many cases they actually refused to deal with them because of their having supplied non-members with steamfitting appliances.

The business agent for the union was charged with unlawfully aiding the corporate and individual defendants, members of the Association, by inducing and compelling practically all of the journeymen steamfitters in Chicago, members of the union, to refrain from installing any steamfitting articles for master steamfitters or contractors not members of the Chicago Master Steamfitters' Association. The defendants were therefore charged with having engaged in unlawful restraint of trade and commerce. Although the indictment was returned in 1921, the case had not come to trial by 1927.

The terra cotta combination.—A not greatly different type of combination was charged in the indictment returned against thirty-eight individual and corporate members of the Chicago Mantel and Tile Contractors' Association on May 5, 1917. The grand jury charged that

> one of the prime ends of the association [was] unreasonably and unlawfully to restrain trade and commerce in tiles by concertedly excluding retail dealers and contractors in tiles in Chicago not members of the Association, of whom there have been many during the period [from July, 1914, to the date of the indictment] from said trade and commerce by the following means: (1) Concerted refusal by concerns associated [in the Mantel and Tile Contractors' Association] and their representatives to sell tiles unset to dealers and contractors in tiles in Chicago not members of said Association; (2) Concerted inducement and coercion of manufacturers and their representatives not to sell to dealers and contractors in tiles in Chicago not members

of the Association by concerted withholding of patronage by the concerns so associated and their representatives from those making such sales; (3) Concerted prevention of dealers and contractors in tiles in Chicago not members of the Association from having necessary trade relations with dealers and contractors in marble by concerted refusal by concerns in the Association and their representatives to deal with those dealers and contractors in marble who dealt with such non-member dealers and contractors; and (4) Concerted hindering of such non-member dealers and contractors in tiles from securing the labor essential to their doing business by concertedly inducing the Building Construction Employers' Association of Chicago not to receive them as members.[28]

The defendants, during the period from 1914 to the date of indictment, were charged with having conducted their businesses upon a plan involving: (1) refusal, in accordance with a rule of the Association, to sell tiles unset to dealers and contractors in Chicago not members of the Association; (2) purchasing tiles, in accordance with a "principle" of the Association, only from those manufacturers of tiles and their representatives who refrained from making sales to persons in Chicago not members of the Association and refusing to purchase from those manufacturers and their representatives who made such sales; and (3) refusal, in accordance with a rule of the association, to deal with dealers and contractors in tiles in Chicago not members of the Association. It was charged that as part of the plan to secure adherence to the scheme sketched above the defendants had employed a system of discovering persons endeavoring to become retail dealers and contractors in tiles in Chicago, of inquiring into the securing of tiles by non-members of the Association and the persons by whom and to whom such tiles were furnished, of disseminating among themselves such information, and of communicating with manufacturers and their representatives, parties to such transactions, with a view to the prevention of such

[28] *U.S.* v. *Chicago Mosaic and Tiling Co. and Others.* Indictment No. 6068. April (1917) term of the grand jury. U.S. District Court for the Northern District of Illinois, Eastern Division.

transactions in the future by a threatened withdrawal of the patronage of the members of the Association. Such boycotts, the indictment charged, had been enforced in specific instances. A second count charged a concerted maintenance of uniform prices for the furnishing and installing of tiles, "and to that end the defendants. . . . concertedly conducted their businesses upon a plan and scheme involving adherence to a uniform scale of prices."

The case, like most of these cases, dragged on for years. In 1922, after the demurrers had been overruled, all defendants entered pleas of not guilty. In February, 1924, however, under agreement between the United States district attorney and the attorneys for the defendants, the first count of the indictment was dismissed against twenty-seven of the defendants, the second and third counts were dismissed against all, and the eleven against whom the first count had not been dismissed changed their pleas from "not guilty" to "guilty." Fines against these eleven, totaling $7,500, were assessed and paid.

A recital of the various devices whereby monopoly control of segments of the industry has been attempted does not necessarily imply a wholesale condemnation of these devices. Some, such as the exchange of credit and cost information, may tend merely to remove competition from some of its traditional bases and to intensify it upon others; it may be that ultimate court decisions will establish the legality of some of the practices enumerated in the foregoing paragraphs. There can be little doubt, however, that prices to the consumer have been raised in more cases than one—although a monetary estimate is impossible. Most important, perhaps, from the viewpoint of industrial relations in a unionized market, has been the manner in which a system of this nature demoralizes union leadership and makes the organizations convenient mechanisms for establishing monopoly from which the rank and file generally profit little.

CHAPTER XI

GRAFT IN THE BUILDING TRADES

Charges that the Chicago building industry has been rotten with graft and corruption have been so frequent and sweeping that there is need of extreme caution in approaching this special problem. In the very frequency of the charges of criminal extortion one finds a danger. Public impressions are consistently formed by the exceptional rather than by the ordinary, and it is the indictment of a business agent or the bombing of a building, not the everyday contractual relations of employer and worker, that commands space in the press. Honest business agents—which undoubtedly means the majority of business agents—have suffered at times because of the ill-repute into which a minority have led the profession; and the fact that those indulging in the unethical and sometimes criminal practices are, after all, a minority should be kept in mind.

At the same time there have been periods when the evidence of graft in the Chicago market has been so abundant—part of it, at least, so much a matter of common knowledge—that there can be little exaggeration in saying that at certain times and in certain trades the principles of collective bargaining have been buried beneath a maze of questionable practices. The Dailey Commission asserted in 1921, "Graft has been imposed upon builders to the extent of millions of dollars every year"; while the Chief Justice of the Circuit Court of Cook County, a short time earlier, gave the following summary of alleged conditions to the grand jury:

> Many of the important unions of the city of Chicago are controlled by criminals. . . . . Gunmen and convicts have seized hold of the offices of these unions for the sole purpose of increasing conspiracy that they might

get money from the citizens of Chicago by a reign of terror, destroying law and order in this great community. . . . . We have reached a time in the history of this community when these crime conspirators have determined that they are going to demonstrate to this community that law and order, so far as they are concerned, are not to be considered . . . . in order that they might have the women and men of this community understand that when they go to them and demand tribute that it is useless to make any efforts against them.[1]

The question of responsibility.—In one sense, it may be said that the foregoing is a description of conditions that could not exist without the aid of many builders and contractors. There must be two parties to every bribe. The contractor who is literally forced to pay graft money can hardly, of course, be considered as a party to a corrupt practice—any more than can the victim of a highwayman. But it is fairly clear that some—although again a minority—of the contractors have used business agents against competitors by having on their pay-roll some influential labor leaders in return for protection from strikes. Immunity from strikes is an effective selling argument to a building public which habitually insists, naturally enough in view of the amount of capital tied up, that construction work proceed when once it has been started, even though it is necessary to expend a certain amount for "strike insurance."

In extenuation of these practices it sometimes has been said that the public and even grand juries have not discriminated very carefully between payments made to business agents as fines for the violation of some jointly agreed upon rule and outright "graft money." A more careful scrutiny of the situation seems to indicate, however, that there is little ground for this distinction. It is not difficult to bring the employer unintentionally to violate some union rule, and a majority of strikes which are settled on a monetary basis have as their nominal cause some violation of agreement or unfairness on the part of the employer.

[1] Quoted from *Final Report of the Dailey Commission,* pp. 45, 46.

More important, the Uniform Form of Agreement prior to 1926 provided that fines should be paid not to the business agent but to the treasurer of the Joint Arbitration Board in each trade, to be kept there until the last meeting of the year, when a distribution of assets between the employers' association and union represented on the Board should take place.[2] In spite of this paper provision, however, a fairly large number of the unions have always insisted upon the direct assessment of fines when rules are violated—and any extenuation there may be in this distinction between fines and outright graft money (clearly a small extenuation if any) should be borne in mind.

The psychology of building-trades graft.—Helpful in explaining such graft as has been prevalent in the Chicago building trades is an understanding of the attitude of both contractors and union officials toward such practices. The self-justification of the contractor who is a party to graft transactions is simple. Building-construction employers, like the rest of mankind, are rationalizing creatures; they justify the means if it attains what is from their viewpoint a good or necessary end. Others pay graft money; the contractor who does not will be unable to get workers, his place may be bombed, and his personal safety endangered.[3] "Others do it, so I have to," says the contractor

[2] In the agreement adopted late in 1926, however, this provision was changed and the present contract, extending until 1929, provides that each party shall pay fines directly to the other.

[3] The following testimony of a man who calls himself a "promoting financial builder" is explanatory of the apparent ease with which some contractors have acquiesced in the demands for graft money: "I tell you you cannot afford to build a building costing three million dollars and have any delay. You can figure the interest on a three million building for two or three weeks and you will see what it means. I would rather take a contractor and pay him a little extra money and avoid trouble. . . . . Competition in this town is on the basis of a contractor's ability to fix labor—not on price. . . . . There is no doubt that each contractor, if he has any brains, knows that he has got to come to the front with a certain amount of money" (testimony before the Dailey Commission, April 15, 1921).

who figures an extra amount for "strike insurance." Nor is the attitude of union members more difficult of explanation. The business agent who consistently collects graft money is generally unrepresentative of the rank and file. But once in office, business agents tend to remain there. Like all politicians, they build effective organizations. Also, the rank and file are likely to be indifferent toward the "side activities" of the agent so long as steady work and good wages are forthcoming. Illustrative of the indifference of many of the members is the fact that the average attendance at meetings of some unions is not more than 15 or 20 per cent of the total membership, and seldom more than 50 per cent on election nights. Toleration of such crooked business agents as there have been is due to the fact that they have delivered the goods, and a tradition has grown up that what they get "on the side" is theirs. A majority of the members realize, also, that the complexities of collective bargaining make the retention of a specialist necessary. The business agent is a necessary institution, and the most efficient agent is the one who has been in the game longest. Materialistic considerations dictate that he be retained, even if his methods of personal enrichment do not meet with the approval of a majority of the membership. Nor can one ignore the fact that force—force without stint or limit—may have been resorted to occasionally when an agent has been in danger of losing his position.[4]

[4] "They, the honest union men, would like to get rid of the unscrupulous men at the head of the union, and the unscrupulous men at the head of the union have their workers in the hall, and the man who gets up and opposes them does not reach the foot of the stairs before he is knocked off" (testimony of a Chicago architect before the Dailey Commission, March 25, 1921). It should be said that the cases in which those who oppose the administration are "knocked off" are extremely exceptional, not typical as this statement would lead one to believe. At the same time the fact that practices of this nature occasionally are resorted to, and that the members are aware of the fact that they are, helps in explaining the apparent acquiescence of members in the illegitimate practices of some of the leaders.

Characteristics of the industry as explanatory.—The characteristics of the building industry and of the Chicago market have been reiterated many times in this study, but they are worth reiteration in that they help to explain almost every one of the special problems. In the first place, the already mentioned "cost plus" characteristic of the industry makes the employer more willing to acquiesce when money is demanded from him. The cost in the long run can more easily be passed on to the public than in almost any other industry; and not infrequently, it has been said, contractors have figured an extra percentage for "strike insurance" before submitting a bid.[5] In the second place, building always involves an element of speculation. The promotor and investor do not receive any return until the building has been completed, and during the process of construction a considerable sum is tied up. The interest on the million to three million or more dollars that may be tied up in a building is considerable, even for a few weeks; and the investors feel that they cannot afford to have a stoppage of even a week or two. It is cheaper to pay the contribution which some agent has levied as a condition of continued work. Indeed, it has been said that competition among contractors at certain times has been based upon their ability to settle labor difficulties and keep work progressing quite as much as upon price. In the third place, the fact that many of the contractors are subcontractors is conducive to violations of agreements and working rules which give the business agent an excuse for demanding monetary redress. It is more difficult to hold a large number of subcontractors in line than a few large and substantial employing firms; here and there a contractor will always be found who is violating some clause in the agreement or set of working rules in his particular trade. As a result, the business agent is given proportionately more opportunity to

[5] Testimony of a Chicago architect before the Dailey Commission.

threaten strikes and stoppages unless "the matter is settled." The year-to-year change in working rules in the various trades is a fourth condition helping to explain the prevalence of graft in this industry. Contractors have confessed that they have found it difficult to keep up with the innumerable changes and that they have unintentionally violated union rules more than once. This rapid change in union rules is in part a consequence of the rapidly changing technological conditions of the industry, but it has also been said to be, in some cases, the result of the ingenuity with which rules have been made of which all the contractors could not be aware.[6] In the fifth place, the frequency of jurisdictional disputes has given opportunity for monetary demands by an agent claiming that his union was entitled to work on the basis of materials used, tools employed, or on some other basis.[7] A sixth explanatory fact is the close relationship maintained by some contractors' associations, and sometimes merely by members of an inner circle in the contractors' associations, with busi-

[6] An extreme example of the perplexity of an employer endeavoring to obey union rules is that of the contractor who, according to his own story, was fined by one business agent for leaving a door open during working hours and by another for closing it (testimony before the Dailey Commission).

[7] The following cases are typical of the way jurisdictional disputes may lead to the payment of strike insurance: "Different unions claimed the same work. The negotiations were conducted between the owner's representative and H [a business agent] who arranged for the payment of money. It was to pay twice for the expense of installing [some materials] . . . . which by the agreements between the various unions and the contractors might be erected properly by more than one union" (testimony before the Dailey Commission). Another case cited by the same witness (an architect) was that in which a firm found it necessary to pay the representative of a union for the estimated cost of some work which had been done in the shop of the company but which was claimed by this union as coming within its jurisdiction. Another architect told of jurisdictional trouble on a hotel job. Certain fixtures were set by a terra-cotta contractor. Two days later the representative of a union notified the architect that the fixtures would have to be set by his own men. The head of the union suggested that the fixtures be taken down, laid flat on the roof, and then reassembled by members of his own union. Apparently no money was paid in this case.

ness agents who could be used in their competition with independents. Charges have been made that this kind of connection has been carried even to the point of violence.[8] Finally, in an enumeration of the conditions and factors conducive to corrupt practices should be mentioned the fact that Illinois has had no adequate laws against practices of this nature. It has been only recently that any large number of business agents have been indicted, and the convictions obtained as a result of the recent indictments have not been numerous. Only when the motive of conspiracy to extort is fairly clear can convictions be obtained; and the proving of this motive to juries has always been (in Cook County at least) extremely difficult.

Graft methodology.—The methods employed in exacting graft have been various. Allusion to that most common variety, "strike insurance," has already been made. Under this plan "premiums" have been paid by an employer or owner to a representative of the union having, or claiming to have, power to call men off the job or to keep them working without interruption. As is the case with most varieties of graft, no one person has received all the extorted money. Generally, when this method has been employed, the proceeds have been divided among "the boys," and the very fact that part of the money may have been paid for a legitimate or semi-legitimate purpose has made detection extremely difficult. Another scheme, differing from strike insurance in name only, has been the appointment by a contractor of a union official to act as his "attorney" on the job, the duty of the attorney being to see that work proceeded with-

[8] One contractor who had refused to surrender a large contract to the "insiders" of the employers' association, according to the *Final Report of the Dailey Commission,* stated that his store front was blown out and his life endangered. Another contractor said that he was told that a lucrative contract was "too big for him," and that when he attempted to continue work he found his men called out on strike and he himself threatened with financial ruin and physical injury.

out interruption.[9] The practice of creating jobs for members of a union, under threat of strike if the contractor did not employ men on the unnecessary tasks, has been so nearly akin to the undisguised collection of strike insurance that it may be mentioned in a list of the methods used in obtaining graft money. The creation of jobs as "maintenance men" for deserving members of one of the large unions by the chief business agent is a recent example of this practice. Also, charges have been made that mechanics working for contractors refusing to pay graft levies have been intimidated. Still another, and more petty, method of enforcing graft contributions has been the practice of placing stench bombs in the buildings of obstreperous owners or contractors. Several Chicago moving-picture houses lost thousands of dollars in patronage during one stench campaign, according to the testimony of their representatives.[10]

Early graft cases.—Although the more outstanding instances of graft are of rather recent date, the practice has been resorted to during almost every period of building expansion since the nineties. One might almost speak of a "graft cycle," showing a certain amount of correlation with the business cycle, or at least with the cycle of building operations, but correlating more clearly with the cycle of activity and inactivity on the part of prosecuting officials. Graft ran rampant during the days just before its own foolish actions brought an end to the old Building Trades Council. Immediately after the lockout of 1900 many of the business agents lacked control over a large-enough number of the mechanics working in Chicago to call strikes on owners re-

[9] One Chicago contractor testified that in 1920 he went to a prominent union leader, who may be designated as A, and said: "Now here, A, I want you to look out and protect me on the job, and I want you to be the same as my attorney. . . . . I don't want any trouble, but I am giving you the money to act as my attorney and look after my work." A, according to the testimony, answered, "All right" (*Final Report of the Dailey Commission*).

[10] Testimony before the Dailey Commission.

fusing to pay "assessments," but contractors charged that as the labor organizations began to be rehabilitated, graft again became common. Conditions just before the formation of the Building Construction Employers' Association in 1911 were summarized in a *Bulletin* of the central employers' organization as follows:

> This [increasing] power of organized labor was in itself a thing to be commended if it was used to uplift the rank and file of the organizations of the employees, but too frequently and sad to relate it was used as a means of advancing the political ambitions of some congenial delegate or enhancing the value of his earthly possessions. The ease with which many contractors were induced to succumb to the wishes and wiles of some so-called representative of organized labor was certainly in itself startling, while many who refused to "come across" amicably were given the third degree and sweated into submission.[11]

A few of the cases illustrative of the conditions thus sketched by the contractors are worthy of mention.

In 1909 three business agents, "Skinny" Madden of the Steamfitters' Helpers, who was then abandoning his ambition again to become the dominating figure in the Chicago building trades and was more and more turning his attention to the "strike insurance" phase of industrial relations in this industry, and two business agents who may be designated as K and L, respectively, were found guilty of obtaining money under false pretenses as a result of the strike they called upon what may be called the M company. The "false pretense" charge was based upon the evidence that Madden and the others called the strike, obtained $1,000 on the plea that they could make the strikers return to work, and then failed to bring about this result. While the amount collected would be considered trivial in view of strike assessments in more recent days, the case is significant in that it illustrates the close working relations of various business agents

[11] *Bulletin of the B.C.E.A.*, October, 1913.

and the way certain agents have, at times, helped their colleagues of other trades although their own unions may have had absolutely no connection with the particular job which has been made the subject of an assessment.

The M Company at that time was erecting a factory building, and various parts of the work were sublet. Among the subcontractors were a certain firm of pipe-trade contractors and a sheet-metal concern installing non-union material. F, the business agent for the pipe-trade union, learned of the contract of the non-union sheet-metal firm. He notified Madden and the latter called a strike. It is significant that F's union was not directly concerned. When the head of the M Company went to Madden to see what could be done he was turned over to K, with whose union there was no grievance. Meanwhile, the pipe work had been relet to another firm, and the M Company engaged a representative to settle with L of the Sheet Metal Workers concerning the contract of the non-union firm for sheet-metal work. This firm claimed that its work was mainly out of Chicago and that it had to manufacture with non-union men in order to meet the competition of other houses in cities where unionism did not prevail. The representative of the M Company was referred by L to Madden, and a payment of $1,000 was made. For some reason, however, the strike did not end as per schedule, and the three business agents were indicted on the charge of "obtaining money under false pretenses."

Three other rather minor causes of labor graft in the Chicago market got into the courts about the same time. A strike was called on a building being erected by a tea company in September, 1908, according to the subsequent indictment, on the ground that a firm in New York was supplying non-union material. While the grievance was that of the Sheet Metal Workers, the strike was settled when the president of the firm paid Madden

approximately $1,500.[12] A second case, introduced by the state at the time of the trial of Madden, K, and L, was a payment to Madden in settlement of a strike. A third strike cited as evidence against the trio was one called on the ground that non-union workers in a couple of the trades were being employed. The owner of the building, when he attempted to settle the matter, was referred by Madden to K, who finally put a price of $1,000 on the job.

In 1914 and 1915 one of the Chicago newspapers inaugurated a campaign to "expose the methods of crooked business agents," and several cases that are more or less illustrative of the continuity of these practices were brought to light.[13] In October, 1914, two business agents representing different unions were indicted for conspiracy, one being caught with $150 in marked bills, paid him by an express teaming contractor, in his pocket. The money was paid in order that the union men might be permitted to deliver a boiler to the Scanlon School. A more conspicuous case in 1915 was the indictment of three men who may be designated as N, O, and P. The defendants were charged with obstructing interstate commerce between January 10 and January 30, 1912, because of holding up a shipment of ice machinery from the east to a Chicago ice company until they were paid $900. When N learned of the shipment of machinery, according to the indictment, he ordered his men not to unload it. The secretary of the ice company attempted to get members of P's union to haul it, but N spoke to P and the latter's men refused to haul the machinery. Then O stepped in and kept the company's own em-

[12] These cases are cited not because they are as important as those of later date, discussed later, but because they indicate a general "ring" at that time, with Madden the controlling genius.

[13] The "exposures" were published in the *Chicago Herald* (since consolidated with the *Examiner*) during the summer and autumn of 1914 and the winter of 1915.

ployees, members of his union, from hauling the machinery. Finally, the representative of the Chicago firm to which the machinery had been consigned settled with the agents for $900, and the machinery was moved on January 31, 1912. In all, a dozen or more cases were brought to light during the "exposure" of 1915 and some eight or nine indictments resulted.

Although building construction fell off during the war, and with it the opportunities for building graft, strike insurance apparently was collected more or less constantly, even though the "premiums" may have been smaller. In 1916 one of the largest estates in Chicago was assessed $500 by a representative of one of the building-trades unions in order to get a window replaced in the Stock Exchange Building, a violation of union rules being the reason for the assessment.[14] Another case about the same time involved the secretary of one of the larger trade associations of employers, who was charged by one of the witnesses before the Dailey Commission with acting as an intermediary in the collection of an assessment. According to the testimony, a firm of contractors, not members of the employers' trade association, started work on a 107-flat building. Members of one of the largest unions were called off the job "for no reason at all that I could see," as one of the firm members put it. The business agent refused to let the men go back to work until the sum of $2,500 was paid. The firm member testified that "the money was paid to Z [the association secretary] and. . . . [another man]. . . . in our office."[15] The same firm was assessed $600 by a representative of an entirely different union a year later.[16]

Recent cases.—With the revival of building activity after the war slump, opportunities for graft levy again became com-

[14] Testimony of the agent for the estate before the Dailey Commission, April 18, 1921.

[15] Testimony before the Dailey Commission, April 1, 1921.

[16] *Ibid.*

mon. One of the more typical of the recent instances is the deal between a man long active in labor politics, who may be called A in the following pages, and the general manager of the Longacre Construction Company.[17] The Longacre Construction Company was engaged on its first Chicago job, the Woods Theater Building, and it was anxious that the work should go through without a hitch. The manager of the contracting firm, according to his own testimony, met A (not directly connected with the union on strike) and discussed ways and means of getting the wreckers, who had struck, back on the job. A, according to the manager, "said the matter could be straightened out with money." An amount which the manager, at the time he gave his testimony, "believed" was between $7,000 and $8,000 was agreed upon. A agreed to settle the strike then in progress and to insure against all other labor troubles that might arise except those of B's union, B and A having been parties to a long-standing quarrel. The money was paid to A, according to the manager's testimony, in a room in the LaSalle Hotel, the strike was called off, and there was no further labor trouble on the job.

When the Longacre Construction Company commenced work on its second Chicago job, the State-Lake Building, the manager took precautions.[18] He went to see the same man (A) and was told that it would cost some $16,000 to protect the job. The first payment was made in currency, according to the testimony, as were others from time to time during the period of construction. The total amount finally paid on the Woods Theater and State-Lake jobs was declared by the manager to have been $41,000 or $42,000. For this amount A agreed to "take care of all organizations except B's. He and B were at loggerheads."

[17] Testimony in regard to this case has been published in the *Final Report of the Dailey Commission,* pp. 47, 48.

[18] Testimony in regard to the State-Lake deals has been published in the *Final Report of the Dailey Commission,* pp. 49, 50.

The practice of business agents who set out to collect graft money of delegating the leadership of the "ring" to one man is evidenced by the activities of A during this period. At the time of the construction of the North Shore Hotel, which was completed in 1919, the builders experienced constant labor troubles until they "settled with A." One of the owners of the hotel, also a contractor, testified before the Dailey Commission that he paid A $4,000 in cash during September and October, 1918, in instalments of $400, $500, and $1,000. As a result of these payments, the various unions on strike returned to work. A insisted upon $4,000, according to the testimony of this contractor-owner, "because he had to take care of so many others."[19] When the Webster Hotel was being erected in 1919, a real estate broker appeared on behalf of the owners to settle a strike then pending. He went to A, and was told that the settlement "ought to be worth around $10,000." Finally, the trouble was settled for $4,000.[20] Concerning the same job a member of a firm of contractors testified:

> Before we had any strike I went to A, and I wanted to be protected on the job, and I said to him, "Now here, A, I want you to look out and protect me on the job, and I want you to be my attorney. I will pay you so much a month to keep away from strikes." He said, "I will see about it. Come back again." I went around again. I said, "I don't want any trouble, but I am giving you money to act as my attorney to look after my work." "All right," he said, and I gave him the first $1,000 and in another month I gave him another $1,000.

One other case may be mentioned as illustrative of the activities of this one man. The account is significant, also, in that it shows how little recourse contractors or owners may have when they have paid "premiums" but find that the business agents are

[19] From *Final Report of the Dailey Commission,* pp. 51, 52.

[20] *Ibid.,* pp. 55, 56.

not able to make good their guaranty of immunity from labor troubles. A and B, as already indicated, were "at loggerheads" during this period, and A, who accepted money from the owner's representative, was unable to settle the trouble with B's union. The story was told to the Dailey Commission by an official of a Chicago lumber concern, his account being substantially as follows:

During the construction of the Bunte factory and building Mr. Theodore Bunte called to see me regarding threatened labor troubles and asked my advice as to what he should do. I told him I thought there was only one thing to do, and that I didn't think there was a building that had been put up in Chicago that amounted to anything where labor fees had not been paid. Mr. Bunte said he had learned that they would be required to pay $100,000 to be permitted to go forward with the work. Later I put in a call for A and arranged to meet him at my office. I told him I was interested in working out some propositions whereby the Bunte Company would have no labor trouble during the progress of their work. A said to me, "You know the high moguls are expecting a big piece of money. It is rumored there is going to be $100,000 on this job." "That is out of the question," I said, "They are not going to pay $50,000, one-half of it, nor one-quarter that much. . . . . I feel I am authorized to pay you $22,500 to carry this work through to completion without any strike." After thinking the matter over for a few minutes A said, "All right, I will take it. If I find that I cannot carry the thing through, I will let you know." The next day I paid him $13,750. It was all paid in currency. The date was April 19, 1920. The next payment was one of $2,500. It was paid to A. About this time trouble developed with B . . . . and this last $2,500 was really presumed to be sent to appease B. Later A returned this $2,500, saying he couldn't do anything with B. I made up my mind the only thing to do was to get in touch with C [another prominent union leader, then in an exceptionally powerful position so far as controlling the various unions was concerned]. . . . . I told him of my arrangement with A. He asked me what the deal was. . . . . I told him and he came back at me right away with, "Well, A got a lot more than he indicated to me." "Well," I said, "it is no more than I have told you, $13,750. The deal was $22,500." . . . . After some thinking C said that he could handle the situation and straighten it out, and he would carry the deal. . . . . Later C came in. I paid him $500 in

cash. This was Christmas, 1920. About the latter part of January next C got in touch with me and said he would have to have more money, so I gave him $1,500 more.[21]

The strike-insurance deals on the Stratford Theater job in 1920 are illustrative of both the tendency of business agents to promise more than they can deliver and the way personal antagonism of certain of these agents may result in the enforced payment of duplicate contributions.[22] At the time the building was being erected at Sixty-third Street and Union Avenue, certain business agents, who may be labeled here as E, R, and S, made demand for tribute. According to the testimony of a Chicago architect: "E told me there would be a lot of trouble, but that they were willing to make a deal to avoid trouble. He said he was representing everybody, and could clear this job and there would be no trouble of any kind or character all the way through, but it would take a lot of money." Arrangements were made in the office of this architect, according to the testimony, whereby E was to receive $3,000. Trouble continued, however, in spite of the payment of $3,000, and later the architect was informed by still another business agent (herein called S) "that any previous arrangement with anybody else, if any had been made, did not include him and that he thought he could include the remaining

[21] *Final Report of the Dailey Commission,* pp. 57, 58. This case, like most of the others, is illustrative of the way practices of the nature under discussion injure the cause of unionism in general. The elder Mr. Bunte, who died in 1923, was a German emigrant who came to the United States when a young man, located in Chicago, and built up one of the largest candy businesses in the Middle West. He was always opposed to unionization of his factory and to trade unions in general. It can easily be seen how a demand for $100,000 only confirmed his belief that labor organization is a pernicious thing. The public, in its reaction to these practices, typically does not discriminate between certain unions and certain business agents and unions and business agents in general; and the public attitude unfavorable to labor organization in general is not the least of the consequences of these corrupt practices.

[22] *Ibid.,* pp. 54, 53.

parties." A deal was made, according to the published testimony of the Dailey Commission, whereby "$1,800 or $3,000" was paid to S. But still labor troubles continued. Without warning, thirty members of R's union were called off. The architect testified that he called R, one of the agents presumably included in the original deal.

> I called up R and I met him at the building and said, "What is the trouble? I thought your line had been taken care of." . . . . "Oh, no no," he said, "I was not taken care of at all." I said, "The arrangement with E included you." "No," he said, "that isn't possible." . . . . I drove out to 63rd St. and met R. I said, "Mr. R., I have a check." He turned right around and said, "Come and see me in the morning and bring the money." I went to him in the morning and I had the check. He asked why I did not have it cashed. I went with him to a saloon at 59th and State Streets, where the check was cashed. This was about the end of June, 1920.

A tendency on the part of some contractors to aid rather than oppose business agents in their demands for money is exemplified in the demands made upon the Mellon-Stuart-Nelson Construction Company when the New C. and A. station was under construction. The incidents connected with this case are somewhat indicative, also, of a desire of some local contractors to help union agents make business in Chicago unpleasant for outside firms. The excavating work on the C. and A. station job was being done by a Chicago contractor, who may be called T, while the south wing of the building was being erected by the Mellon-Stuart-Nelson Company, a Pittsburgh firm. Steam shovel work was being supervised by one U, an employee of the C. and A. According to the testimony of the chief engineer for the C. and A., a business agent demanded that U be discharged because he was not a member of the local union in his trade.[23] When the chief engineer refused to discharge U, a strike was called upon the Mellon-Stuart-Nelson and T jobs, a seven-week tie-up re-

[23] Testimony of the Chief Engineer before the Dailey Commission, April 9, 1921.

sulting. A "settlement" of approximately $24,000 was demanded, which the C. and A. refused to pay.

The Chief Engineer testified that he tried a number of times to reach the individual referred to in connection with other deals as "A." He finally succeeded in getting A to come to his office as a result of the intervention of the local contractor, T, "who was a member of their organization [the union] and kept me advised." Finally, the men returned to the job on the condition that U be discharged. "To save their faces we discharged U." The Chief Engineer said that no money was paid by the C. and A., but that "I have very strong reasons to believe that substantial sums were paid by the contractors. . . . . Mr. W [of the out-of-town contracting firm] told me he paid it into A's organization." W, in testifying a little later, denied that the Pittsburgh firm paid any money in this case, but admitted that when "held up" by another group on the union-station job in 1919 he paid $2,000 under orders from one of his superiors in Pittsburgh.[24]

Evidence in this case showed a fairly clear connection between A and the local contractor, T. An official of the C. and A. (not the chief engineer) said: "A made the most of his efforts through T, contractor on the north foundation. He demanded $16,000. The Mellon-Stuart-Nelson strike lasted thirty-one days. It is rumored W paid $10,000."[25] The chief engineer testified that "at least two or three times, when I was endeavoring to get in touch with A, his office would tell me he was not in, and three minutes after from the telephone on my own desk W or T would call A and get instant response."

A few other cases are worthy of mention. At the time of the erection of one of the large movie-houses in the Loop, the general manager of the corporation for whom the building was erect-

[24] Testimony of this member of the Pittsburgh firm, April 15, 1921.

[25] Testimony of this official, April 15, 1921.

ed, according to his testimony, paid $15,000 to C (already mentioned) upon the understanding that "we were to finish the building without any labor trouble."[26] A carbonic company, while installing an outfit in one of the Loop drug stores, was assessed $1,200 by the agent for one of the unions.[27] A corporation operating a chain of motion-picture houses (not the one referred to above) was assessed $9,500 in order that its new building might be completed without interruption.[28] A first strike on this building was settled by the intervention of the real estate broker, already referred to in connection with one of the foregoing cases, and by the payment of $3,500. The next strike, that of the union headed by the agent indicted in 1909 and called K in the account of that case, was also settled by the same man. The real estate broker's account of his conversation with K merits direct quotation. "I met K in the dining room of the Congress Hotel. I had lunch with him. K told me to go to church every Sunday, like he does, and have a clear conscience. . . . . I offered $3,000 and finally settled for $5,000. This money I paid to him in currency." Shortly thereafter it was necessary to settle with the representative of another union to the amount of $1,000. One of the owners of the chain of motion-picture houses erecting this building estimated that in all about $9,500 was paid on this job, that the strikes caused four months' delay, and that the loss, including interest, time, and patronage, was about $500,000.[29] When a North Side hotel was under construction some $10,000 or

[26] *Final Report of the Dailey Commission,* pp. 50, 51.

[27] *Ibid.,* p. 51.

[28] *Ibid.,* pp. 54, 55.

[29] This estimate, made before the Dailey Commission, is given the reader for what it may be considered worth. While half a million dollars may, at first thought, seem an almost unbelievable loss on strikes of the duration mentioned, one must consider that loss in patronage, interest on a heavy investment, and the overhead undoubtedly were considerable. Certainly it is not hard to see how there may have been a loss of at least $100,000.

$12,000 was said to have been expended to settle strikes.[30] A representative of one of the locals received $100 because some of the planks on the beach were laid by members of a union said not to have jurisdiction over such work, K sent in a bill for "additional expense" because the hotel installed equipment made by a corporation employing non-union men, and another union representative had to be compensated because certain fixtures were not union wired. The contract for some of the fixtures in the Drake Hotel was let to the Women's Exchange of Chicago, but the head of a since extinct union refused to let them be installed on the ground that the Exchange employed non-union labor. At the subsequent trial of this agent for conspiracy to extort, the head of the Exchange testified that she paid this agent $750.

The failure to prosecute.—As a result of the conditions that came to light during 1921, the grand jury that year returned 157 conspiracy indictments against 124 defendants, a majority of them business agents. Comparatively few of the cases have been tried and fewer of the defendants have been convicted. Eighteen of those indicted were convicted and sentenced to prison terms, seven were found not guilty, sixteen of the indictments were nolle prossed, and on July 6, 1923, the remaining were "stricken off with leave to reinstate." Few of the eighteen found guilty have commenced to serve their sentences, while pardons from the Governor of Illinois freed some of those who actually did begin serving their time.[31]

The small number of convictions has been the subject of different interpretations. By some it has been cited as evidence that the political and other connections of some of the persons most active in the collection of strike insurance make any hope of conviction almost impossible. The cases of perjury and jury

[30] Testimony of the secretary of the hotel company before the Dailey Commission, April 11, 1921.

[31] From the records of the Chicago Crime Commission.

corruption which were brought to light after two of the trials are indicative of the ramified connections of the graft extorting ring.[32] In large part, without doubt, the failure of the states attorney's office to prosecute in a majority of the cases is another of the many examples of the falling down of American criminal procedure. It is also probable, however, that some of the men were indicted upon evidence that was little more than hearsay and that would not have been considered sufficient ground for indictment at other times. The public at that time was aroused over the "revelations" of the Dailey Commission, and there was a general mob psychology expressing itself in the demand that "something be done." While such statements are not intended to minimize the importance of or to condone the practices discussed in the preceding pages—or, for that matter, to imply that the Dailey Commission exposed anything like a majority of the graft cases of the few years before 1921—one must take into account the possibility that the grand jury may have been unduly influenced by popular feeling.

Nevertheless, corruption in the Chicago building trades was becoming too prevalent. The public was coming to feel that the building trades needed a policeman. And it was with this feeling in the background that there emerged, out of a combination of fortuitous circumstances accompanying the wage arbitration of 1921, the most extensive experiment in control by "parties of the third part" that has ever been attempted in the Chicago building market.

[32] The writer has been advised in writing, from a source he considers entirely reliable, of the case of a juror in one of these trials whose wife was told over the telephone that if the accused man was not acquitted the juror's house would be bombed and the juror himself slugged. Also, every known delay was taken advantage of in the trials, and it is not improbable that some of the witnesses were either threatened or persuaded to forget.

PART III

RECENT DEVELOPMENTS

CHAPTER XII

THE LANDIS ARBITRATION AND AWARD

The approximate balance of power maintained between the organized contractors and the organized workers from 1911 to 1921 was rather abruptly shattered by the events following the wage arbitration of the latter year, and for a time the dominant force in the Chicago building trades was neither the Building Trades Council nor the Building Construction Employers' Association, but a "Citizens' Committee" composed of persons divorced from any direct interest in the construction industry—an outside and volunteer police force. Although a disagreement concerning a proposed reduction of the minimum wage for the skilled trades from $1.25 to $1.00 an hour and for the unskilled group from $1.00 to 70 cents an hour was the immediate cause of the new conditions obtaining between 1921 and 1927, there lay beneath this surface and immediate cause a series of circumstances and a range of practices, some of them having their origins as far back as the beginning of the twentieth century. The Landis arbitration and the events following it should, therefore, be considered in the light of these background events and conditions.

When the war ended, the building industry in Chicago was almost stagnant. The housing shortage was acute, and thousands of persons, it has been said, were living in places not conducive to good health and morals.[1] Rents were advancing to almost prohibitive heights. Yet promoters were unwilling to go ahead with building operations.

[1] The Chicago Housing Association made a study of housing conditions immediately after the war, showing bad housing conditions that were not generally realized. Testimony of Benjamin M. Rosenthal, managing director of the Association, before the Dailey Commission, April 22, 1921.

The construction industry workers had suffered as much as any other organized group, perhaps, as a result of the abnormal conditions from 1915 to 1919. The wage scale of 1918 was about 20 per cent below the 1914 level plus the increase in the cost of living. In 1919 the Carpenters, followed by other groups, struck for an increase to $1.00 an hour. In a compromise settlement the contractors granted all the striking unions except the Carpenters 92½ cents an hour. The Carpenters, however, remained on strike until November, 1919, when their demand for $1.00 an hour was granted, and many of the contractors began paying the same wage to workers in other trades. A horizontal wage scale of $1.25 an hour for the skilled trades was granted by the contractors almost without a struggle in 1920.

Many of the most important contractors, and especially those affiliated with the infant Associated Builders, contended that in the horizontal wage scale of $1.25 an hour was to be found the explanation of Chicago's housing shortage—that a decrease of 20 per cent in wages would herald an unprecedented expansion. This demand for a decrease in wages to a dollar an hour was the immediate cause of the tumultuous events after 1921.

Meanwhile, however, other conditions were coming to light which indicated that the stagnation of the industry and the prohibitive costs of building were not entirely due to the wage level. While the question of a wage reduction was pending in the spring of 1921, a state investigating body, the Dailey Commission, was holding sessions in Chicago, and wide publicity was being given its "revelations." Its investigations into the combinations of materials men and contractors among themselves and in conjunction with men occupying positions of power in the unions, discussed in detail in chapter x, showed that a practical monopoly had been established in some lines by the contractors and

materials dealers.[2] As a result of the evidence taken by the legislative investigating committee, these combinations were brought to the view of the public and, more important, to the view of the arbitrator. The various schemes for keeping the prices of essential materials higher than the competitive level—"co-operative competition," allotment of work, alleged framing of bids, "statistical and information bureaus"—became generally known at this time, and the public attitude resulting may in part account for the developments discussed in this chapter and the one immediately following.

Still another factor, whose importance and direct relation to the events following the arbitration of 1921 may be subject to dispute, is the general open-shop drive in 1921. The extent to which this movement was organized and financed in Chicago has been questioned; certainly, however, the believers in the open-shop in part or all of the construction industry were the beneficiaries of an unusual opportunity when certain unions refused to abide by the terms of the award rendered in September, 1921.[3]

[2] These combinations, an integral part of the system that grew up between 1911 and 1912, are discussed in some detail in chap. x. In following the story of the Landis arbitration one does well at least to keep in mind the two broad types of combination there treated: those effected through contractor-union agreement and those brought about by rules of the contractors' associations.

[3] It is only fair that both sides be allowed to speak for themselves on this point. Union officials have always contended that the open-shop movement on the part of the National Manufacturers' Association and the Chamber of Commerce was definitely organized and financed in Chicago by a group that later became identified with the Citizens' Committee to Enforce the Landis Award. Mr. John W. O'Leary, who later became vice-chairman of the Committee, was mentioned as one of those active in the open-shop drive in Chicago during the early part of 1921. A Chicago architect, testifying before the Dailey Commission on March 25, 1921, said: "The leading men of Chicago to the number of forty or fifty . . . . are behind the Association of Commerce in an effort to organize in some way, through somebody, and create a powerful organization that will stand for decency and freedom—freedom of the individual, of the householder,

The wage dispute.—The wage reduction demanded by the contractors was the subject of negotiation between the two contractors' associations and the Building Trades Council during the first months of 1921. On January 21 the business agents of the thirty-two unions affiliated with the Building Trades Council met and decided to oppose a reduction in wages of twenty-five cents an hour. At a conference a little later, participated in by President Coleman of the Building Construction Employers' Association and Tom Kearney, president of the Building Trades Council, an agreement was reached to submit the proposed reduction to a referendum vote of the member unions. Every union voted overwhelmingly "no." It is fairly clear that there was a disposition on the part of a considerable number of business agents, as well as on the part of some of the contractors, to compromise on $1.12½ an hour, and perhaps such an agreement might have been reached without a stoppage of work or the necessity of resort to arbitration had there been only one central employers' association, or had the Associated Builders mani-

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of the individual citizen. . . . . The Association of Commerce of Chicago has started this thing and Mr. John W. O'Leary is one of those most active in the movement. He tells me it has been financed. In fact, when he was brought into it he refused to be associated with it until it was financed on a large scale. . . . . It has been financed on a large scale." Mr. Donnelley, chairman of the Citizens' Committee, on the other hand, tells the writer: "There never was any connection between the Citizens' Committee and the national open-shop drive. I have seen a lot of writing by opponents of the open-shop about this national drive; I myself have never heard of it. There may have been open-shop movements in various trades as a reaction against the arbitrary methods of the War Labor Board and the unionizing of many industries that had been open-shop before the war. Some of these trades may have had a national program, but as for the employers as a body being joined together in any open-shop drive, there never was anything accomplished that I know of beyond some speeches at some conventions. The statement that forty or fifty prominent men in Chicago financed a general national open-shop drive is nonsense. There has existed in the Association of Commerce a Labor Committee, of which Mr. O'Leary is chairman, but to the best of my knowledge this committee has never in any way undertaken to finance or direct any fight against union labor." Letter, May 4, 1925.

fested the same attitude as did the Building Construction Employers' Association.[4]

The failure to reach an agreement before May 1 brought a general lockout, in spite of the fact that the agreements of the Building Construction Employers' Association did not expire until May 31, and for six weeks there was a suspension of virtually all building operations in Chicago. The Building Trades Council took the initiative in seeking a settlement, a resolution introduced by Mike Boyle, of Electrical Workers' No. 134, calling for a parley with the employers, being adopted almost unanimously on May 14. At a meeting shortly thereafter of the Joint Arbitration Boards of the Building Construction Employers' Association and the Building Trades Council, E. M. Craig and Tom Kearney were appointed to draft an agreement to arbitrate and to consider possible arbitrators. Finally, on June 11, 1921, Judge Kenesaw Mountain Landis of the federal court was agreed upon as arbitrator.

Selection of the arbitrator.—The selection of Judge Landis was characteristic of the manner in which important decisions are often made in American industrial life. Out of a large number of names suggested, the special committee finally selected twenty. No one of these was entirely satisfactory to both sides. A suggestion made by Mr. Craig of the Building Construction Employers' Association that he and Mr. Kearney of the Building Trades Council act as two members of a special board of

[4] The Associated Builders, as has already been indicated, was closely allied with the materials interests. Its members were among the most outspoken in the demand that wages be reduced in order to permit a resumption of building operations throughout the city. Also it has been said that they were extremely reluctant to have the matter submitted to arbitration, they favoring "fighting the unions to a finish." In view of the way many contractors began to pay "premium" wages immediately after the award, one cannot conclude other than that there had been a considerable probability that the matter could have been settled on a compromise basis of $1.10 or $1.12½ had it not been for the attitude of the Associated Builders.

arbitration in the wage dispute and select the third member was rejected by Mr. Kearney.[5] Finally Judge Landis' name, suggested as a compromise, was accepted by the employers. It is not improbable, however, that they expected the workers to register a veto and that the acceptance was a part of the bluffing and higgling process that always accompanies such negotiations rather than an indication of any serious intent on the part of the employers that Judge Landis should arbitrate the dispute. At the same time, it is possible that some of the more conservative union leaders felt that the unsavory situation in some of the trades, then being revealed by the Dailey Commission, made the acceptance of a man of Judge Landis' unquestioned and generally recognized integrity desirable.[6]

Judge Landis had long been a picturesque figure upon the

[5] Interview with Mr. Craig, August 8, 1925. Mr. Kearney's rejection of this proposal probably was indirectly responsible for the fact that Judge Landis was allowed to go into the matter of working rules and revise the joint agreements along what he thought were "just and reasonable" lines, as discussed in this chapter. Had there been an arbitration board of three, with Mr. Craig and Mr. Kearney as two of the members, these two would have had a majority voice and could have vetoed the insistence of Judge Landis (had he been named the third member) that he be allowed to go into working rules. Mr. Kearney, of course, would have voted against the inclusion of working rules, and in all probability this is what Mr. Craig would have done.

[6] This is the interpretation of the Chairman of the Citizens' Committee, who disagrees with the writer in the interpretation this chapter places upon Judge Landis' insistence that he be allowed to go into working rules and in the conclusion that the majority of those concerned did not expect the arbitrator to go into other matters than wages. In a letter of May 4, 1925, the Chairman says: "I have the idea that at the time conservative union leaders were glad that the Judge was going into the whole matter and felt that thereby their hands would be upheld in cleaning up the dirty situation which they realized was bound to injure the whole status of union labor if continued. I am confident that the criticism that Judge Landis went beyond his power was an afterthought when some of the unions refused to accept his award." A spokesman of the B.C.E.A. told the writer that he was "greatly surprised" when Tom Kearney accepted Judge Landis as arbitrator. The reasons the business agents themselves give for their acceptance of Judge Landis are varied. Some of them tell of such incidents as the

federal bench. He was fearless, and it would be absurd to question his honesty. At the same time, events since the arbitration have brought question as to whether he possessed the degree of temperamental balance, the tolerance, and the comprehension of the forces at work in American industrial life and in the construction industry in particular that an arbitrator should have possessed. One must remember that Judge Landis had long been upon the judicial bench and enjoyed the prerogatives of summoning witnesses, directing proceedings, and rendering decisions which, unless overruled upon appeal, became the law of the land. Yet the functions and prerogatives of an arbitrator are vastly different. Business agents of the unions felt that throughout the entire arbitration proceedings his attitude was that of the judge, not that of the impartial arbitrator selected to settle only the matters in dispute, and limited in consequence by the limits of the controversy. Moreover, union officials have said, Judge Landis came to the arbitration proceedings without the time to devote to a prolonged and technical hearing. When invited to arbitrate he was acting as general supervisor of organized baseball in addition to performing his duties on the federal bench. He was under fire in the United States Senate because of his attempt to hold his judicial position while in the employ of the professional baseball interests. All of these facts may have had more or less indirect influence upon the course of the subsequent arbitration.

Inclusion of working rules in the arbitration.—The arbitration was primarily one concerning wages, the employers having demanded a reduction of the minimum rate for the skilled trades from $1.25 to $1.00, and for the unskilled workers from $1.00 to 70 cents an hour. Although there is still argument as to whether

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scathing denunciation by Judge Landis of the employers who were not paying the Chicago scrubwomen a living wage, and of the way he released Willie Dalton, a fourteen-year-old bank messenger who had stolen some of the bank's securities. His position on the federal bench probably influenced them.

Judge Landis exceeded his jurisdiction when he insisted upon going into, and revising, the working rules in the various trades, it is probable that Judge Landis himself originally went into the arbitration proceedings solely with the idea of fixing wages; the fact that he believed ten days or two weeks would be sufficient to settle the entire matter has been cited as evidence that he did not originally contemplate going into other matters than wages. The rate fixed by Judge Landis was to stand until May, 1922, according to the agreement to arbitrate, but on or before February 1, 1922, the arbitrator was to decide upon the wage scale for the year extending from May, 1922, to May, 1923.

It should be said that the agreement to arbitrate contained an ambiguity regarding the scope of the arbitrator's authority. The first paragraph referred to the arbitrator "the entire subject matter in all its phases,"[7] but a subsequent paragraph stated specifically that working rules and conditions should be decided upon by the arbitrator only when the two sides were unable to agree between themselves.[8] The statement in the first paragraph that the purpose of the arbitration was to settle the wage controversy was interpreted on the labor side, and indeed by some influential representatives of the employers, clearly to limit the meaning of "the subject matter in all its phases" to the subject matter of wages, while the subsequent paragraph stating that the arbitrator should go into working rules only in those cases

[7] "It is mutually agreed that for the purpose of effecting an immediate adjustment of the existing controversy respecting the rate of wages to be paid employees in building construction, and to consummate satisfactory working agreements for the construction industry, that the entire subject matter in all its phases shall be referred to an umpire with full power and authority to act and decide all questions involved."

[8] "It is agreed that the principles and conditions of all trade agreements shall be made as nearly uniform as possible and that should any trade arbitration board be unable to agree upon any provision of their agreement involving conditions, working rules, etc., that such disputes shall be submitted to the umpire and his decision shall be final and binding."

in which the two sides were unable to agree upon them between themselves has been said even more clearly to indicate that neither of the parties directly concerned contemplated submitting working rules for the entire industry to the arbitrator.[9]

Three days after Judge Landis was agreed upon as arbitrator, work was resumed in all trades at the existing rate of $1.25 an hour for the skilled trades and $1.00 for the unskilled. Although the action of the Building Trades Council in agreeing to arbitrate technically bound all member unions to be parties to the arbitration, the agreements of the Painters and Plasterers still had nearly a year to run.[10] For these unions to have become parties to the arbitration would, their officials contended, have involved repudiation of existing contracts. The Carpenters' District Council, still affiliated with the Building Trades Council in spite of the fact that the National Brotherhood of Carpenters and Joiners had withdrawn from the Building Trades Department of the American Federation of Labor, voted in a separate referendum not to be a party to the arbitration,[11] while the

[9] It is true that there had been a disagreement upon rules interwoven with the wage controversy early in 1921, before the expiration of the agreements and failure to make new ones brought on the six weeks' lockout. This disagreement pertained chiefly to the right to exclude non-union materials, and as early as January, 1921, William Brims, of the Carpenter's District Council, advised the B.C.E.A., Associated Builders, and Building Trades Council that the famous Article 3 would be removed. The indictment against the Carpenters had been returned a short time before. Mr. Edward Ryan, when head of the Building Trades Council, told the writer that while there were disagreements on rules in a few of the trades, neither side had any idea of submitting them to the arbitrator.

[10] To be exact, the agreement under which the Painters were then working did not expire until May 1, 1922, and that of the Plasterers until April 1, 1922.

[11] In fact, certain representatives of the Carpenters' District Council did submit a tentative agreement to Judge Landis when he insisted upon seeing agreements, before the District Council had been able to take a vote. The agreement was not satisfactory to the arbitrator, and shortly thereafter the Carpenters voted not to be parties to the arbitration. As a result, the officers of the Carpenters' District Council contend that they never were parties to the arbitration in any official sense.

Sheet Metal Workers, who had returned to the Building Trades Council in 1920 after six years' absence, never participated in any sense. Other unions—the Elevator Constructors, Glaziers, and Fixture Hangers—dropped out during the progress of the hearings for reasons indicated in the following paragraphs.

Perhaps the contractors were as much surprised as were the workers when Judge Landis insisted upon being given all the agreements, in order that he might revise them along "just and reasonable lines" before setting wages. When representatives of the two employers' associations and Building Trades Council were called to Judge Landis' office on June 14 and told that he would refuse to set wages until he knew all of the rules, the contractors' representatives are said to have advised him that they had expected to have the pay-roll made out on the new basis by a week from the following Saturday, and that it was with this understanding that they had agreed to pay the existing rate of wages pending the hearings. Be this as it may, Judge Landis refused to set wages until he was permitted to go into rules.[12]

Without doubt Judge Landis' insistence upon the right to go into working rules as a prerequisite to setting the new wage scales was partly a result of the state of the public mind regarding the building situation at that time. The "disclosures" of the Dailey Commission were being widely heralded, and there was much and often rather loose discussion about what might be done on behalf of the "party of the third part." Nor is it impossible that certain architects had conversations with the arbi-

[12] Mr. Craig, who was also present at this meeting, was quoted in a newspaper that day as saying: "We put our men to work at the old scale believing that the question of what the new wages were would be settled first. Do we have to pay the old scales until this is settled?" Judge Landis was quoted as replying: "That's a matter of slight importance. The big thing is to settle things right. I can't do that until I know the working conditions." Conversation with persons in a position to know what happened at this meeting indicates that these newspaper quotations were substantially, if not literally, correct.

trator.[13] Also, the fact that some of the agreements contained provisions known to be monopolistic in character may have incited the legal ire of Judge Landis; it is altogether probable that he felt he could not conscientiously act as arbitrator between parties who had made agreements containing clauses which he believed to be unlawful. His disinterestedness cannot be questioned, nor can the time and effort that he devoted to the task of arbitration, and in his efforts to settle the matter along "just and reasonable" lines Judge Landis spent a considerable amount of time in going out to the jobs, talking with the workmen, and investigating the situation first hand. But regardless of the reasons for the refusal to set wages before revising rules, much of the disorganization on the labor side since 1921 can be traced to Judge Landis' insistence that he be allowed to go into rules. Antisocial and detrimental as some of the rules may have been,

[13] Business agents have referred to certain architects as "the men who wrote the agreement" (meaning the revised form of the Uniform Form of Agreement as it came from the hands of Judge Landis). Many of the architects were, without doubt, anxious for a "showdown" with the unions. Indicative of their attitude is the following excerpt from testimony of an architect before the Dailey Commission: "Here is a suggestion I made to the International Federation of Building Construction interests together with representatives of the chambers of commerce: 'No circle or association of citizens has any right to make an agreement with another association or circle of citizens which affects the price of labor or commodities and regulates the output of labor or manufacture, which neither of them have to pay, but which the public has to pay.' To make it more concrete, all our building trade labor unions have agreements with our employers' associations, on the one form or theory. . . . . The contractor is perfectly willing to agree with the labor union that he will employ only that labor union to do any work he gets and obey the regulations, whatever they are." The architects also objected to some of the union rules, such as that of the Tile Setters that only a certain number of feet of tile should be laid during a given time, as interfering with the architects' designing buildings in the most economical manner. Another architect advised the Dailey Commission to "line up with the Chamber of Commerce on labor matters," while still another said: "I think I speak for the architects of Chicago and Illinois when I say the architects are not opposed to labor, not in favor of reducing labor's wage down more than is absolutely necessary. In other words, the architects are labor's best friends."

they embodied customs and traditions that were the growth of years—customs and traditions that were, in some cases, very dear to the workers.[14] Those prone to be critical of Judge Landis' work as arbitrator have said that a man with a more profound knowledge of conditions in the industry and with less self-assurance would have hesitated before attempting to remake industrial mores of such long duration, and that a man with a somewhat different and less personal sense of professional responsibility would have been reluctant to overstep the limits set by the spirit of the arbitration agreement, even though its letter might be subject to different interpretations.

President Kearney, of the Building Trades Council, acqui-

[14] Here again the writer records an honest difference of opinion between himself and the Chairman of the Citizens' Committee. The feeling of the workers that customs and prerogatives for which they had struggled for years were being stamped upon was, the writer feels, very acute. The Chairman of the Committee, in a letter, states the matter as follows: "I do not believe that the form of contract or the rules were the real reasons for the objections to the Landis award. As I see it, the objections were twofold; namely, the return of the differential wage and the fact that by ruling out the sympathetic and jurisdictional strikes many of the grafting labor leaders realized that they would be shorn of their ability to call these strikes and levy graft upon the public. The objections to the terms came afterward and, I think, more for the sake of argument than for real reason." The writer is aware of the way the restoration of the differential wage scale contributed to the unpopularity of the Landis award among the unions, but he cannot entirely agree that later objections to Judge Landis' going into rules came as a rationalization of the workers' antagonism toward outlawing the sympathetic strike and jurisdictional dispute. The adoption of the Uniform Form of Agreement in 1915 outlawed the sympathetic strike on paper, while all jurisdictional disputes were, under the previous joint agreement, to go to the Joint Conference Board and (after 1919) to the National Board of Jurisdictional Awards. Hence the Landis award did little toward outlawing the jurisdictional dispute and sympathetic strike that had not already been done by joint agreement between the Building Trades Council and the B.C.E.A., and the writer is unable to attribute the major portion of the unpopularity of the award or the objection of workers' to the factors cited by the Committee Chairman. On the other hand, some of the trades had never accepted the Uniform Form of Agreement (*ante*, chap. vi) and in the case of these unions, some of which later became "outlaws," the objections cited may, in the opinion of the writer, have been a contributing factor.

esced in Judge Landis' demand for copies of all agreements and working rules, in spite of the opposition of a majority of the union leaders toward such a procedure and regardless of the perplexity as to the Council President's motives which the acquiescence occasioned.[15] After a month's study of the agreements the arbitrator announced that there must be a radical revision of both the labor contracts and their appended working rules, and that all new agreements must incorporate a "new uniform form" which would be approved by him.[16] Finally, on September 7, 1921, after the employers and those unions going along with the arbitration had reached an understanding on a "new uniform

[15] It has been said that Mr. Kearney believed he had assurance that if Judge Landis were allowed to go into rules, the workers would be granted a horizontal wage scale of a dollar an hour. The writer was told by the man who is probably the most authentic spokesman for the employers that he (this spokesman) was told by Kearney that the agreements and working rules had been given to the arbitrator with the understanding that the workers would receive a dollar an hour. Whatever may have been Mr. Kearney's motives for letting Judge Landis go into rules, he did so in spite of the almost unanimous opposition of the business agents. Ex-President Ryan of the Building Trades Council told the writer that he urged Mr. Kearney to refuse to let the arbitrator overstep the bounds of the arbitration agreement, and insisted that the arbitration be stopped if Judge Landis would not set wages without first going into rules. Another business agent said: "If we had had as good a man on our side as the bosses had in Craig, Landis would never have been allowed to go into rules." Without exception the leaders of the various unions feel that Mr. Kearney made a tremendous mistake when he allowed the arbitrator to go into rules.

[16] The agreement finally approved by Judge Landis was the old uniform form plus the changes discussed in the following pages and an appended set of working rules, the adoption of which was supposedly obligatory on the part of all unions and employers' associations. One of the points of contention during the months the arbitration proceedings were in progress was the question of whether the Joint Conference Board should be dropped. The writer has been told by one who was connected constantly with these negotiations that Judge Landis first approved the Joint Conference Board, then, after conference with officers of the Associated Builders and some of the architects, decided to drop it, and finally, upon threat of both the B.C.E.A. and the Building Trades Council that they would quit the proceedings were the Board not retained, agreed to let it stand.

form of agreement" satisfactory to the arbitrator, Judge Landis rendered his award.

The Landis principles.—Judge Landis based his award upon three principles embodying what have since come to be known as the "nineteen points." The principles were:

1. The monopolistic elements of associations or unions are intolerable unless
   - *a*) The public is served more economically with them than without them
   - *b*) Anyone qualified may join them without hindrance or discrimination
   - *c*) They serve anyone on demand without discrimination
   - *d*) Sufficient apprentices be taught to supply enough skilful managers and workers
   - *e*) Working rules and conditions eliminate waste of time, effort, and materials; increase quality and quantity of product; encourage improved methods, materials, and appliances; produce increased skill and contentment of the workers; and help to preserve peace in the community.
2. Other things being equal, trades should have higher wages or wages above the average
   - *a*) If the work is more hazardous
   - *b*) If greater skill is required
   - *c*) If a longer term of apprenticeship is required to become proficient
   - *d*) If the work is intermittent or unsteady due to weather and seasonal demand.
3. Other things being equal, trades having rules or conditions that produce or permit waste should have a lower wage, or a wage lower than the average rate, [such as]
   - *a*) Rules that limit or curtail in any way the amount of work per man, consistent with reasonable comfort and well-being
   - *b*) Rules that require ordinary travel to or from the job to be on employers' time, or otherwise waste time paid for
   - *c*) Rules requiring skilled men or high-rate men to do work that less skilled or lower-rate men could do, or that other trades could do more economically

d) Rules that expressly or by inference interfere with the manager or foreman in the dispatch of the work or the use of new and improved methods, materials, or appliances
e) Rules that require work to be done by hand that could be done better or more economically by machinery, tools, or other improved methods
f) Rules that require work to be done on the building that could be done better or more economically in the shop
g) Rules requiring excessive rates for overtime, or overtime rates for shift work
h) Rules requiring unnecessary foremen, shop or job stewards, or pay for men or the time of men who do not render corresponding services
i) Rules requiring unnecessary helpers or assistants
j) Rules that limit the number of members in the association or unions, or unreasonably limit apprenticeships.

The inclusion of working rules in his award was justified by Judge Landis on the ground of public policy. The building industry in Chicago, he said, had become rotten with manipulative combinations, uneconomic rules, and graft.

It is the violation of no confidence to say that building construction has gotten into bad repute in this community. There was a general disposition to keep away from it as a thing diseased. Capital avoided it. The wise dollar preferred almost any other form of activity or no activity. And this applied to the whole range of building construction, from the cottage to the skyscraper. This attitude of the public, added to the profound commercial and industrial depression generally existent, resulted in a virtual famine of housing accommodations and brought about the idleness of many thousands of men willing to work. It was in view of these conditions that the umpire conceived it to be his duty to aid these people to rehabilitate the industry in the esteem of the public—the great unrepresented party to this arbitration, but nevertheless the one upon whom the consequences of the award would fall. . . . . This loss of public faith was not entirely due to the wage question. The mere making of a wage award would not have placed the industry on solid ground. Reliable testimony showed that a 20 per cent reduction in wages, other conditions remaining the same, would produce but a 6 or 7 per cent reduction in building cost. The real malady lurked in a maze of conditions artificially created to give the parties a monopoly, and in rules de-

signed to produce waste for the mere sake of waste; all combined to bring about an insufferable situation, not the least burdensome element of which was the jurisdictional dispute between trade-union members of the same parent organization.

The "New" Uniform Agreement.—In order to ameliorate this "insufferable situation" and restore public confidence in the building industry, each separate trade was to adopt the new Uniform Form of Agreement promulgated by Judge Landis, the provisions and purposes of which he summarized in the following portion of his award:

> In carrying out the declared purpose of preventing strikes, lockouts, and other waste and unavoidable expense, annoyances, and delays, and for the purpose of making building costs as low, stable, and certain as possible, consistent with fair wages, this uniform agreement provides for the peaceful settlement of disputes by arbitration, subject to appeal to the National Board of Jurisdictional Awards, with whose decisions all parties agree to comply; that you will not stop work individually or collectively under penalties prescribed except when an owner attempts to construct a building with non-union men while putting up another building on which you are employed, and when the employer fails to pay the employee for work done; that in case of scarcity of help non-union men may work with union men until such time as union men may be obtained; that any journeyman may use in his work the tools of any other trade; that small tasks of not over 30 minutes' duration in any one day belonging to any trade may be performed by any other trade at the decision of the employer; that overtime work beyond the regular working day during the first 2½ hours shall be compensated at 1½ times; that overtime work beyond this, and work performed Saturday afternoons, Sundays, and holidays, shall be paid at double the regular rate; that contractors' associations not affiliated with these associations may avail themselves of all benefits of these agreements by either joining or paying the regular dues and fees that members pay; and that the union will provide men to any contractor, whether a party to any agreement or not, under the rules and at the rate provided in these agreements.

The remainder of Judge Landis' summary of the "new agreement," which was to check uneconomic practices and con-

ditions, was chiefly a reiteration of the eight "cardinal principles" that had been forced upon the unions by the Building Contractors' Council in 1900 and that had been included in the Uniform Form of Agreement since its adoption in 1915:

> It is further expressly agreed and stipulated that there shall be no restrictions as to the amount of work a man will do, nor against the use of machinery, methods, or appliances, nor against any raw or manufactured material, except prison-made. Employers may employ and discharge whomsoever of the union they please, and employees may work for whomsoever they see fit, and the foremen, if any, are to be exclusively the agents of the employer.[17]

Judge Landis' summary of the provisions of "his" new Uniform Form of Agreement and the manner in which it was generally heralded by those who saw in the new award a curb upon the unions should not blind one to the fact that in substance the arbitrator took over the agreement accepted by the Building Trades Council and Building Construction Employers' Association in 1915. The insistence that both sides pledge themselves to abide by the decisions of the National Board of Jurisdictional Awards was not a Landis contribution in any sense. Mention was not made of the National Board in the agreement that expired in the spring of 1921 only because this body was not established until 1919, after the 1918–21 agreement had been drafted. As a result of the insistence of Judge Landis that the unions allow workers not affiliated with them to work under permit, the

[17] It should be noted that, although the Landis award is generally said to have "cut into rules," the actual award rendered on September 7, 1921, merely summarized the change in rules that had been made in the Uniform Form of Agreement between the time Judge Landis demanded copies of rules and the rendering the award, and made the incorporation of this uniform form obligatory. The part of the final award "going into rules"—the part quoted—was really simply a summary of the changes in the agreement that Judge Landis had already insisted upon. The difference is, however, a technical rather than a fundamental one; to all practical intents and purposes rules *were* changed when Judge Landis gave the quoted summary of the provisions of his new Uniform Form of Agreement and ordered all trades to adopt it.

original professed purpose of the agreement, the "preventing of strikes and lockouts and facilitating of a peaceful adjustment of all grievances and disputes," was elaborated upon to include the

securing at all times a sufficiency of skilled mechanics for the party of the first part, and, so far as possible, of providing continuous employment for the party of the second part, such employment to be at wages and in accordance with the conditions herein agreed upon, and for the further purpose of preventing other waste and unnecessary and unavoidable expenses, annoyance, or delays, making building costs as low, stable, and certain as possible consistent with fair wage rates and for the advancement of labor management in skill and productivity.

The closed-shop clause of the agreement was modified so as to make possible the employer's securing of non-union workers when the local union was unable to furnish craftsmen from among its own membership within 48 hours and no workers affiliated with the international could be obtained within another 48 hours. It will be remembered that in its original form the agreement provided:

If, after 48 hours' notice to the party of the second part, they are unable to furnish to all members of the parties of the first part a required number of mechanics, then the party of the first part shall be entitled to procure and employ the men required. Such men shall be affiliated with the international union of which the party of the second is a part and shall be amenable to the rules and regulations of the local union of the party of the second part.[18]

Objection of some of the employers and architects to this clause resulted in removal of the provision that workers obtained after a failure of the union to supply men should be "amenable to the rules and regulations of the local union," and in the substitution of the provision:

If, after 48 hours' notice to the party of the second part, they are unable to furnish to all members of the parties of the first part a required number of mechanics, then the party of the first part shall be entitled to

[18] See chap. vi.

procure and employ the men required. Such men shall be affiliated with international unions associated with parties of the second part. Failing after due notice of 48 hours to obtain mechanics so affiliated, the members of the party of the first part may employ such men as they may be able to procure, who shall by that fact be entitled to a permit to work, and the party of the second part shall immediately issue a permit to such men to work for such member of the party of the first part until such time as the party of the second part supplies sufficient men to take their places.

This change, which remained in effect until the 1926–29 agreement was adopted late in 1926, has been attacked by union members on the ground that Judge Landis was attempting to establish the "preferential" instead of the closed-shop, and while it has been one of the factors contributing to the unpopularity of the award, it can hardly be said to have weakened union control of the market. Before the employer could employ non-union men, 96 hours must elapse, and during the first 48 of these he must wait for the local union to furnish men, while during the second 48 hours he might employ members of the same international. After 96 hours had elapsed from the giving of the first due notice, the employer was at liberty to procure non-union workers until the union had men available to take their places.

The efforts of Judge Landis to eliminate stoppages and the sympathetic strike except under conditions he enumerated—where an owner attempted to construct a building with non-union men while putting up another building on which parties to the agreement were employed and where the employer failed to pay the employees for work done—resulted in a considerable change in Article 14 of the Joint Agreement. Originally this article had prohibited leaving work because non-union men in some other line than building-construction work were employed on the building or job. The unions had maintained the right to call their men off the job because non-union men of some other building-trades craft were being employed. Judge Landis insisted that, in addition to the requirement that unions issue

permits to non-union men when unable to furnish workers from their own memberships, no one should have the right to leave work, individually or in concert with others, because non-union men of some other "line of work or trade" were employed. This provision, which was interpreted after 1921 to mean that union men of one trade could not leave work because non-union men of another building trade were employed, was one of the most obnoxious to the workers in the entire agreement, and all of those who repudiated the agreement and became "outlaw" have insisted that the requirement that they work on the same job with non-union building-trades workers of another craft has been contrary to the rules of their internationals.

Other changes made while the Uniform Form of Agreement was undergoing a revision at the hands of Judge Landis were less important. The original "cardinal principle" regarding limitations on tools and machinery had been elaborated upon before 1921 by the words: "The handling of all tools, working machinery, and appliances shall be done by members parties to this agreement and helpers in the trade who are using the same in their work." After the Landis changes had been adopted there was added the qualification: "But nothing in this agreement shall prohibit a member of any other trade from using in his work tools, machinery, or appliances similar to, or the same as, those customarily used in this trade."[19] The desire to end the uneconomic practices that had grown out of the rigid adherence to trade jurisdiction on the part of the unions, condemned by im-

[19] Even this change was not all that Judge Landis desired. He is said to have insisted during the hearings on rules that "any journeyman shall be allowed to use in his work the tools of any other trade." One cannot conclude other than that the arbitrator inadvertently used rather misleading language when, in his final award, he summarized the new Uniform Form of Agreement by saying that it permitted any journeyman to use the tools of any other trade. It does not; it merely permits a man to use tools "similar to or the same as" those used in his own trade.

plication in Judge Landis' award, was manifested in the provision of the new agreement:

> Nothing in this agreement shall be construed to prohibit a journeyman or laborer in any trade from performing all small tasks, of not to exceed a half-hour's duration on any one day, ordinarily belonging to other journeymen or laborers not being present on the building or job, at the discretion of the employer or foreman, in the interests of public economy.

The Landis views in regard to payment for overtime work were incorporated in the agreement, as was his insistence that the "closed corporation" character of employers' associations be changed.

> Any contractor not affiliated with any employers' association party to this agreement may assume the benefits and obligations herein contained by joining the association or upon signing this agreement and paying to the Joint Arbitration Board the membership fee and dues of the party of the first part for the term of this agreement, amounting to the sum of —— dollars and two-tenths of 1 per cent of the gross amount of work done in Cook County.

Throughout the hearings upon rules, Judge Landis insisted that the unions abolish the rule that an employer or member of a firm of contractors could not work on his job.[20] This "reform" did not, however, become part of the new Uniform Form of Agreement. All five of the unions having agreements with the Associated Builders and sixteen of those having agreements with

[20] This rule is discussed in chap. ix. It was fought for as stubbornly by the unions as was any that Judge Landis tried to abolish. While appearing on the face of matters as an extremely uneconomic, if not illegal, rule, one must not lose sight of the other side of the matter. Many of the subcontractors employ only one or two journeymen, and had the rule been incorporated in the Uniform Form of Agreement, a number of subcontractors would have discharged one journeyman whose work they could do themselves. It has been estimated, for instance, that between 1,000 and 1,500 journeymen plumbers would have been in danger of losing their jobs had the "bosses" been allowed to go to work, and the glutting of the market with more than 1,000 unemployed workers is a condition not to be desired under most circumstances.

the Building Construction Employers' Association signed contracts embodying the provision (in the appended working rules) that nothing should prohibit a contractor or one member of a firm of contractors from working on his or their jobs; but in the other trades the workers and employers, acting in concert, refused to sanction this provision. Judge Landis announced that, in accordance with his basic principle that trades retaining uneconomic provisions should be penalized, he was obliged to establish lower wage rates for the trades in which the contractors were refused the privilege of working.

Undoubtedly Judge Landis' demand that he be advised of all working rules before he set a wage scale and his modifications of the Uniform Agreement in such a manner as to incorporate what he believed were "just and reasonable" reforms were the result of his honest desire to put the Chicago construction industry on a cleaner basis. The acute housing situation in Chicago he attributed, in large measure, to the "vicious practices" on the part of both organized workers and organized employers, and to the monopolistic agreements between them. He was convinced that a 20 per cent wage reduction would not bring more than a 6 or 7 per cent reduction in building costs. He believed it was his civic duty to eliminate these antisocial provisions and practices; but his critics have said that he forgot that in this case he was not acting as a federal judge but as an arbitrator in a wage dispute, and that he used his prestige as a member of the federal judiciary to force compliance with his demands. The hearings were held in his chambers, and his attitude was declared by some to be that of an official vested with legal authority—an attitude that caused resentment on the part of the business agents. And finally there is the fact, as true in industrial relations as in any other phase of human intercourse, that it is not always wise to attempt abruptly to remake customs or to

shatter existing institutions, however desirable it may be that such customs and institutions ultimately be changed.[21]

In addition to revising the agreement and working rules for the trades that were parties to the agreement, Judge Landis directed the unions in these trades not to support those organizations which had not gone along with the arbitration.[22] He said:

> Some of the trades have seen fit to hold aloof from the arbitration. Therefore, in applying a wage scale to the new conditions of the trades that are here, I do so with the distinct understanding that those trades that have refused to come in and revise their agreements along just and reasonable lines, as most of you have done, will not receive your support in their wasteful and subversive practices, for this would be to permit them to capitalize

[21] Justice to the Citizens' Committee to Enforce the Landis Award requires that its dissent from the conclusions and implications of this paragraph be recorded. The Chairman of the Committee, upon reading the foregoing, writes: ". . . . nor can I follow you in the last four lines of the paragraph [the last sentence]. The conditions in the building industry were rotten and everybody knew it. They were unsocial and were conditions that did not affect either the welfare or the wages of the men. I venture to say that not one workman in a hundred of the rank and file of the union cared a fig about these conditions, but they had been injected from time to time by astute leaders who used them for their own purposes. It seems to me that if Judge Landis had not felt his responsibility for correcting these conditions, both for the sake of the men and the public, he would have been criticized for his weakness." The writer recognizes the inevitability of criticism of Judge Landis. For reasons already indicated (chap. ix), however, he is not able to agree with the conclusion that the rank and file were indifferent to the working rules which Judge Landis attacked or to the implication that they served no purpose except that of furthering the interests of astute leaders. The disagreement as to the last sentence of the paragraph represents a difference in underlying philosophy regarding the proper function of an arbitrator—a philosophy stated more in detail in the first two paragraphs of the next chapter. The writer would like to think in terms of the ultimate verities, but he feels that under present conditions of industrial society there are no abstract principles of justice and reasonableness ever ready for application, and that it is true that it is not always wise to attempt abruptly to remake customs or to shatter existing institutions, however desirable it may be that such customs and institutions ultimately be changed.

[22] The Carpenters, the Elevator Constructors, the Plasterers, the Sheet Metal Workers, the Painters, the Glaziers, and the Fixture Hangers.

your good work to their advantage and your detriment. The highest dictates of both morality and interest require that you adopt and adhere to this policy. To illustrate what I have in mind in this connection, I will refer you to the window-glass industry, said to be controlled in Chicago by six firms. The representative of the Pittsburgh Plate Glass Company and the President of the Glaziers' Union appeared here in behalf of this trade and insisted upon a working agreement containing the provision that no glazing should be permitted to be done in the shop—that it should be done on the building or job. This attitude of these two interests was plainly hostile to the public welfare, particularly to the owners of small homes. Certainly that trade has no call on you to support it in that unconscionable practice.

The Landis wage scales.—When it came to settling wages, the arbitrator gave the contractors more than they had hoped for or, in some cases, had asked. The original dispute, it will be remembered, had been over a reduction of the horizontal wage scale for the skilled trades from $1.25 to $1.00 an hour, and for the unskilled group from $1.00 to 70 cents, the unions holding out for the existing scales. In some trades, also, a considerable disposition had been manifested by the contractors to compromise on $1.12½. There had been little discussion of an abandonment of the horizontal wage system adopted in 1920, or of considering the wage scales agreed upon as maxima above which the contractor was not to pay.

Judge Landis restored differentials, going back to the 1918 basis, when the last differentials were adopted, penalizing those trades which retained "waste producing" rules, and then setting rates in accordance with what he believed were changes in the cost of living. The horizontal wage rates obtaining since 1920, he said, "had originally been fixed in total disregard of skill, hazard, length of apprenticeship, and necessary loss of time due to weather and other seasonal demand." This system, he declared, was "fundamentally erroneous." In part the arbitrator spoke truthfully. One cannot deny that there are differences in skill, hazard, length of apprenticeship, and seasonal loss of time

among the various trades. In fact, almost every important city in the United States pays some trades more than others, and probably if differentials could be determined upon some scientific basis, the differential wage system would be the better. But, our industrial society being what it is, differentials are not established upon any scientific basis; they are as much the result of aggressiveness, strength, and accidental strategic advantages on the part of certain unions as of differences in skill, hazard, and seasonal loss of time. By what process of reasoning the arbitrator reached his determination of proper differentials is a question upon which men still differ.[23]

Wages in the skilled trades were reduced by Judge Landis from 12½ to 56½ cents an hour[24] below the 1920 scale, and those of the laborers from 15 to 52 cents an hour, although, as the tabular statement indicates, the majority of the reductions

[23] For instance, the Electricians were given $1.10 an hour and the Machinery Movers 85 cents an hour. Although the matter of skill required is in favor of the Electrical Workers, the Machinery Movers suffer more because of weather conditions and their work is more hazardous. The high wage granted the Electricians was, in all probability, something of an accident, and it is fairly generally recognized that Mike Boyle, of the Electrical Workers No. 134, obtained a concession from Judge Landis which was not in accord with the general policy which the arbitrator followed in setting wages. Incidentally, it was this high rate granted the Electricians that was an indirect cause of the restoration of the horizontal wage scale in 1923 (see the following chapter). A man distinctly friendly to the Landis award, who has been in an excellent position to know the sub-surface events since 1921, in a letter to the writer says: "Unfortunately, the first wage settled was that of the Electricians. The Judge did not give them a wage in accordance with the differential, but gave them the highest wage paid. It has been generally acknowledged that Mike Boyle 'put one over' on the Judge. It was this fact that one of the 'pipe trades' was given the same rate as the Bricklayers which brought around the restoration of the uniform scale in 1923. Boyle claimed that the Judge had approved of the same scale for the Electricians as for the Bricklayers, and the other 'pipe trades' claimed that they were just as skilled as the Electricians."

[24] The reductions from $1.25 an hour to 72½ cents an hour, as in the case of the Cement Workers, were the greatest for the skilled trades, and the reduction of the Tile Layers wage scale from $1.25 to $1.12½ an hour was the least.

were nearer the smaller amount than the greater for both the skilled and the unskilled workers.[25] The rates set by the arbitrator for those trades parties to the arbitration when the award was rendered were:

Plumbers	$ 0.95
Bricklayers	1.10
Boilermakers	1.00
Steamfitters	0.95
Hoisting Engineers	0.95
Tile Layers (fireproofers)	1.12½
Cement Finishers	0.85
Composition-floor Finishers	0.97½
Cement Workers	0.72½
Stone Derrickmen	0.90
Drain Layers	0.82½
Electricians	1.10
Gasfitters	0.95
Ornamental Ironworkers	0.95
Structural Ironworkers	1.05
Common Laborers	0.72½
Caisson Men (diggers and laggers)	0.97½
Laborers (others)	0.78¾
Excavating Labor (Local No. 225)	0.47½
Excavating Labor (Wall men, Local No. 225)	0.55
Composition-floor Laborers	0.72½
Lathers	1.00
Machinery Movers	0.85
Marble Setters	0.87½
Marble Setter Helpers	0.70
Marble Rubbers and Polishers	0.75
Mosaic and Tile Workers	1.02½
Scagliola Rubbers and Polishers	0.75
Mosaic and Tile Helpers	0.70
Pipe and Boiler Coverers	0.95

[25] The two extremes for the unskilled group were represented by the Caisson Men, whose wages were reduced from $1.12½ to 97½ cents an hour, and the Excavating Laborers, who suffered a reduction from $1.00 to 47½ cents an hour.

Composition Roofers	0.92½
Slate and Tile Roofers	1.00
Stone Cutters	1.02½
Stone Planers	0.82½
Stone Carvers	1.25
Terrazzo Mechanics	0.95
Terrazzo Mechanics' Assistants	0.80
Tuck Pointers	1.00
Terrazzo Helpers	0.70
Composition-roofing Teamsters (per week)	30.00
Sprinklerfitters	0.92½
Sprinklerfitter Helpers	0.70

Judge Landis contended that the wage reduction was a mild one; in fact, he felt constrained to explain why he did not make the reduction greater:

> While it may be true that since the existing scale was fixed (the scale of 1920) living costs have been reduced approximately 20 per cent, and that the rates announced[26] may impress persons not familiar with these trades as high when compared with the wages paid in other industries, it must be remembered that in the building trades workers are limited by weather and other conditions to 150 to 200 days a year.

It should be noted, however, that wages in some trades were reduced more than the claimed 20 per cent reduction in the cost of living between May, 1920, and September, 1921.[27] Also, one may question why the arbitrator should have taken as his basis the abnormal conditions of 1918, when, as was indicated in a previous chapter, real wages of the Chicago building-trades workers were somewhat below the 1914 level. According to the Department of Labor estimates of changes in the cost of living in Chicago, the wages fixed by Judge Landis were nearly 25 per cent below the 1914 level when allowance has been made for the

[26] Judge Landis must have meant "*some* of the rates announced," for, as has been indicated, some others were reduced more than 20 per cent.

[27] The Bureau of Labor Statistics index figures on the cost of living were 216.5 in June, 1920, and 177.3 in September, 1921.

decreased purchasing power of the dollar. And finally there is the question of why, after all, wage-earners should be held to the same real wage they were earning at some time in the past. Judge Landis was, of course, simply taking over the "cost of living" principle of wage adjustment that came into its own between 1915 and 1921 because of the rapid changes occurring in the cost of living, and what is said on this particular point applies to other arbitrators as well. If the per capita real income of the country remained substantially the same over a period of years, an argument probably could be made for holding the wage-earners to the same real wage—provided one did not care to question the distribution of income among economic classes obtaining at the beginning of the period. But holding workers to the same real wage during a period when per capita real income is increasing has the effect of denying to the workers a share in the increased productivity of industry for which they are partly responsible, and unless the particular industrial group with which one is concerned is overpaid as compared with other industrial groups, it is difficult to make an a priori argument in favor of retaining the same real wage. During the period from 1914 to 1921 the per capita real income of the country probably increased between 12 and 14 per cent.[28] Yet Judge Landis took over the principle of maintaining the same real wage during a period when per capita real income was increasing, and he went back for his wage basis to a year when the purchasing power of the building-trades workers' money wages was abnormally low.

[28] Various studies of the increase in per capita real income and in volume of physical production throughout the country as a whole have been made. The best are those of the National Bureau of Economic Research in *Income in the United States,* Walter W. Stewart in the *Supplement to the American Economic Review* (March, 1921), and E. E. Day in the *Harvard Review of Economic Statistics* (January, 1921). These studies bear out substantially the above statement with regard to increased real per capita income.

Probably the most unsatisfactory feature of the reduction of wage rates from the viewpoint of the workers, however, was the fact that Judge Landis cut wages to less than the employers had offered to pay. Had he awarded the skilled trades only slightly more than the dollar an hour offered by the contractors, these trades probably would have accepted his rates; for after all, the workers would have reasoned, the Landis wage scales would be a thing of the past after May, 1923. But union members have not been able to forgive the arbitrator for cutting wages of twenty-two of the trades to below the rate the contractors had offered.

The "would be" wage scales.—Certain unions, as has been indicated, were not parties to the arbitration when the award finally was rendered in September, 1921. The Painters and the Plasterers were under agreements which would not expire until the following spring, and in fact they had no direct interest in the wage controversy that brought on the six weeks' lockout and finally the arbitration. The Carpenters, early in the arbitration proceedings, submitted to Judge Landis a tentative agreement which the arbitrator found unsatisfactory. Then, on June 26, 1921, the Carpenters' District Council voted overwhelmingly against accepting Judge Landis as an arbitrator. The Carpenters have always contended that in spite of the early submission of a tentative agreement they were never "officially" parties to the arbitration.[29] The Sheet Metal Workers dropped out of the arbitration on July 9, 1921, as a result of the arbitrator's insistence that all agreements incorporate the third of the cardinal

[29] An officer of the Carpenters' District Council told the writer that constant pressure was brought upon the Carpenters, from union and other sources, to go along with the arbitration, but that "we could not see our way clear to do it." The Carpenters did, however, agree to remove Article 3 of their agreement, providing restriction on non-union materials, shortly after the indictment (see chap. x) for violation of the federal anti-trust law was returned against them early in 1921.

principles: "There shall be no restriction on the use of materials except prison-made." The Glaziers left because the arbitrator insisted that the contractors and union must agree to abolish the rule prohibiting the doing of certain work in the shop instead of on the job. The Elevator Constructors and Fixture Hangers also withdrew because Judge Landis insisted upon revising their rules.

Judge Landis did not relinquish his prerogatives as an arbitrator, however, because certain unions were not parties to his arbitration when the award was rendered. These unions not being parties to the arbitration, and the arbitrator therefore being unable to set a wage rate, he included in his final award a statement of what "would be" fair wages not only for those unions which had withdrawn from the arbitration during its progress but also for those under unexpired contract before, during, and after the arbitration proceedings. A fair wage for the Carpenters, should they eliminate the "vicious provisions" of their proposed agreement, he said, would be $1.00 an hour.[30] Judge Landis also found objections to the unexpired agreement of the Plasterers, which he had insisted upon seeing, and he designated $1.10 an hour as what "would be" a fair wage were a "clean agreement" made.[31] A fair wage for the other trades not

[30] The specific objections that Judge Landis had to the tentative agreement submitted by the Carpenters before they voted that they would not be, and never had been, parties to the arbitration were the provision of double time for all overtime, the requirement that eight hours' pay be given for seven hours' work shift time, the fact that the work covered in the agreement harbored jurisdictional disputes, and the fact that it provided that, should any other trades under contract with the carpenter contractors do any part of the work claimed by the contractors, work should cease until the matter had been taken up by the Joint Arbitration Board.

[31] The "unclean" provisions which Judge Landis found in the Plasterers' unexpired agreement were: (1) the making of the foreman subject to union rules, (2) the laying down of rules to be obeyed by property owners contracting with plastering contractors, (3) an unfair claim as to jurisdiction of the plasterers, (4) the requirement that an employing plasterer register with the union

parties to the arbitration when the final award was rendered—the Elevator Constructors, Sheet Metal Workers, Painters, Glaziers, and Fixture Hangers—"would be" 95 cents an hour.[32]

Ever since the award was rendered, there has been question as to whether Judge Landis had a right to say what "would be" a fair wage for those unions not parties to the arbitration. A better affirmative argument can be made in the case of those unions which originally were parties to the arbitration but which dropped out during the progress of the hearings than in the case of those under unexpired contracts and really not interested in

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semi-annually, (5) the requirement that the foreman ascertain whether employees were in good standing in the union and collect fines and dues for the union by withholding money from wages due, (6) the fixing of the overtime rate at double the regular rate, (7) the limiting to union men the right to use tools and hence the prohibition of any work on the part of the employer, (8) the requirement that cast work, except in limited amount, be done at the building by members of a member union, (9) the requirement that ornamental plastering should be contracted for by the employing plasterer under penalty, (10) the requirement that the original contractor must finish the job or any part thereof for which he might have the contract, and (11) the denial of the right of any plasterer to work for anyone except the original contractor on a given job.

[32] In the case of the Sheet Metal Workers, Judge Landis found that the agreement tendered the union by the employers before the union withdrew from the proceedings contained a definition of jurisdiction that was "pregnant with controversy," that double time was required for overtime, and that shop rules and regulations, "which have no place in agreements covering building trades," were included. The Elevator Constructors never submitted a complete agreement for the arbitrator's approval, and the fragmentary portions of a tentative agreement that were brought to his attention he found "not in harmony" with his new uniform form. His objections to the unexpired agreement of the Painters were its specific legalization of the closed-shop, its authorization of a strike on any shop for any reason that might appear just to the union, its requirement that "all sash, frames, and screens must be primed, painted, and glazed on the job," its forbidding of all contractors not members of the union from handling tools, its clause authorizing the union to cancel the agreement any time for any alleged violation, and its overtime wage scale of $2.50 an hour. The agreements of the Glaziers and Fixture Hangers were objected to because of "impossible conditions . . . . apparently with the sole purpose of effecting a monopoly and unnecessary occasioning of waste."

the wage controversy. All member unions of the Building Trades Council concerned in the wages dispute were constitutionally bound to go along when the Council voted to arbitrate, and later to accept Judge Landis as the arbitrator. Probably the big mistake, from the union viewpoint, occurred when Mr. Kearney let the arbitrator go into the rules. But those unions not under unexpired contract—the Elevator Constructors, Sheet Metal Workers, Carpenters, Glaziers, and Fixture Hangers—were bound by the action of the Building Trades Council, and they probably had no more right than any other groups to withdraw because the arbitrator insisted upon revising rules. In the case of these unions, the setting of a hypothetical wage scale may have been an untactful move and, as it appeared to the workers, an intolerant insistence upon exercising every prerogative the arbitrator could, by any line of reasoning, be assumed to have; but it can hardly be considered a technical violation. It is difficult, however, to make as strong a case for the arbitrator in regard to the "would be" wage scales for the two unions then under unexpired contracts. These unions had no direct concern in the wage dispute of May, 1921. For them to have made new agreements along the "just and reasonable" lines laid down by the arbitrator would have been to surrender existing contracts. Perhaps the best that can be said regarding the wage scales set for the two unions then under unexpired contracts is that Judge Landis meant the rate he set would be a fair wage after the expiration of their existing agreements and after working rules and conditions had been revised so as to eliminate the "vicious provisions." But if this is what the arbitrator meant, one may question why he was not more careful in his use of language.

If there is room for argument concerning whether the arbitrator was authorized by the agreement to set the "would be" wage scales, however, there is little opportunity for difference of opinion concerning their effect. A feeling of antagonism toward

Judge Landis and all his works was engendered not only on the part of the unions directly concerned and those which later repudiated the award, but also upon the part of the twenty-two unions which reluctantly and with many misgivings went along during the years following the rendering of the award. The task of those business agents who endeavored to get their memberships to ratify the award and work under Landis conditions was difficult enough, and the difficulty was accentuated by the acts of the arbitrator himself.

Denunciation of combinations.—In the final paragraph of his award Judge Landis denounced the combinations of materials men which had come to light during the investigation of the Dailey Commission. He recognized that "this atrocious situation" was beyond his reach, but he took the opportunity, in rendering his award, to assure grand juries and prosecuting officials that they had his hearty moral support:

> This [the building materials situation] is intimately and directly involved in the question with which we have been struggling. The testimony before the Dailey Commission disclosed that a very large proportion of all building material is subject to artificial control. In utter contempt of state and federal penal codes, firms and corporations controlling the various lines have associated themselves together to fix and maintain prices. Business is divided among the members of these associations and adherence to the allotments is enforced by penalties, reimbursements, and other devices denounced by criminal law. This atrocious situation is beyond the reach of the umpire, but the activities of grand juries and prosecuting officers give me faith that real war is being waged against this species of criminality.

The rehearings.—Immediately after the award had been rendered a number of the unions—the Machinery Movers, the Marble Setters, the Architectural Ironworkers, the Structural Ironworkers, the Drain Layers, the Plumbers, the Gasfitters, the Steamfitters, the Sprinklerfitters, and the Cement Finishers—appealed for a rehearing. Judge Landis insisted that they return to work, but he promised that if by December 8, 1921, they had

removed certain provisions in their agreements to which he still objected and had evidenced a sincere intention of going along with the award, he would rehear their cases.[33] Between the time of the original appeal of the ten unions just enumerated and the rehearing, eight other groups—the Tile Layers, Tile Layers' Helpers, Tuck Pointers, Pipe Coverers, Slate Cutters, Slate Roofers, Common Laborers, and Marble Setters' Helpers—appealed for a rehearing, and the final appeal hearing was participated in by eighteen unions.

The supplementary decision of Judge Landis on December 8 reiterated the principle that trades retaining monopolistic practices and rules must be penalized by lower wage rates:

> In the decision of September 7 it was stated in fixing wages that the arbiter was obliged to take into consideration the fact that in some trades employers and employees, acting in co-operation, withheld from the public the benefit of the economy that would result from provisions in working rules permitting the employer to work and not requiring skilled men to perform work laborers or helpers might do. It was then further stated that if any of the unions should notify the arbiter of their willingness to change their attitude with respect to these matters the subject of wages would be reconsidered accordingly.

Only two of the ten unions that originally appealed for a rehearing were granted wage increases. The Machinery Movers and Marble Setters, Judge Landis found, had presented agreements "eliminating their wasteful provisions," and he accordingly increased the wage scale of the former from 85 cents to

[33] Events moved rapidly during the three months between the original award (September 7, 1921) and the rehearing (December 8, 1921). Some of the unions which had remained parties to the arbitration repudiated the award, contractors began paying "premium wages," the Citizens Committee to Enforce the Landis Award was organized, and a split within the Building Trades Council occurred. These events are discussed in the following chapter. The rehearing of December 8, 1921, and the setting of wages for the year from May, 1922, to May, 1923, on January 31, 1922, are part of the Landis award and are therefore discussed in connection with this account of the original arbitration. One should keep in mind, however, the constantly changing situation.

92½ cents an hour, and that of the latter from 87½ cents to 97½ cents. In the cases of the Architectural Ironworkers, Structural Ironworkers, Drain Layers, Plumbers, Gasfitters, Steamfitters, Sprinklerfitters, and Cement Finishers, however, the arbitrator found that not all of the "vicious provisions" had been eliminated, and these unions were denied an increase in wages.[34] The eight trades whose rules had been revised to the satisfaction of the arbitrator during the original hearings but which appealed for a rehearing on what the arbitrator called "general principles"[35] were also refused an increase in wages. Representatives of these unions—the Tile Layers, the Tile Layers' Helpers, the Tuck Pointers, the Pipe Coverers, the Stone Cutters, the Slate Roofers, the Common Laborers, and the Marble Setters' Helpers—were advised that the wage scale set by Judge Landis in September was correct, and that the drastic reduction was a result of the fact that the previous horizontal scale of $1.25 an hour for the skilled trades had been too high:

> The substantial reduction in these trades was due to the obviously erroneous horizontal scale whereby their wages had previously been fixed out of proportion to the wages of other skilled trades. The fact is, however, that

[34] The specific objections which Judge Landis still found in the agreements when these unions appeared at the rehearing were as follows: The Architectural Ironworkers' agreement did not permit an employer to work on his own job; the Structural Ironworkers still insisted that there be no differential in the trade and that the least skilled work should be paid at the same rate as that requiring the highest skill; the Drain Layers' agreement excluded the employer from doing work in that trade; the Plumbers, Gasfitters, Steamfitters, and Sprinklerfitters prohibited the employer from doing any work, insisted that the journeyman should do work that might be done more economically by the manufacturer, and did not allow the employer the discretion of utilizing helpers to do work not requiring the skill of a journeyman; the Cement Finishers' agreement did not permit the employer to work.

[35] By "general principles" Judge Landis evidently meant that there had been no original penalty of lower wages against these unions because of uneconomic rules, but that they had appealed simply because they believed he had made an unwarranted reduction in their wages.

the wages awarded are generally higher than the average paid in other cities. This is especially true in the case of the laborers. I have carefully examined the petitions and I have again gone over the whole question, and am obliged to say that I can see no reason at this time for changing the award.

Practically the same wage rates were established for the year extending from May, 1922, to May, 1923, when Judge Landis rendered his second major wage award on January 31, 1922. The rate for the Composition Floor Laborers was raised from 72½ cents to 78½ cents an hour, the Mosaic and Tile Workers were given $1.02½ instead of the 75 cents an hour they had been granted in September, and the Terrazzo Mechanics' Assistants were given a 2½-cent raise, their 1922–23 rate being 82½ cents an hour. All other wage rates remained the same as set the previous September.[36] The 1922–23 award (of January, 1922) was made on the basis of individual trade agreements submitted by the parties. In a number of these agreements, Judge Landis found, the trades had still refused to exclude "waste-producing conditions or provisions." The arbitrator said that had these objectionable features been corrected, he should have been able to award the Plumbers $1.02½ cents an hour; the Steamfitters, $1.02½; the Cement Finishers, 95 cents; the Composition Floor Finishers, $1.02½; the Drain Layers, 86¼ cents; the Gasfitters, $1.02½; the Ornamental Ironworkers, $1.00; the Composition Roofers, 97½ cents; and the Sprinklerfitters, $1.00. For those trades not parties to the arbitration—the Carpenters, Elevator Constructors, Plasterers, Sheet Metal Workers, Painters, Glaziers, and Fixture Hangers—Judge Landis set the same "would be" scales that he had established in September—$1.10 for the Plasterers, $1.00 for the Carpenters and Fixture Hangers, and 95 cents for the others.

While no wage increase of importance was granted by Judge Landis in his second award, one does well to note that the cost

[36] Except the two granted increases in December.

of living had dropped somewhat between September, 1921, and January, 1922, and that the real wages of the workers were higher than they had been immediately after the Landis scale went into effect in the autumn of 1921. Judge Landis called attention to the fact that the rates he set in his second award were approximately 25 per cent above the 1918 differentials, except for those trades retaining their "vicious provisions," whereas the cost of living then was only about 17 per cent above the cost of living in June, 1918. It is true that, in view of the decline in the cost of living between the first and second wage awards, the second wage scale more nearly approximated the differences in the cost of living; but at the same time one may question again why the arbitrator should have gone back to the abnormal conditions of 1918, when the Chicago construction industry was almost stagnant, for his basis.

Finally, in the 1922 award, Judge Landis stated his adherence to the system of differentials, in spite of pressure which had been brought to bear from both contractor and union sources:

> The so-called "horizontal scale," whereby all skilled trades went on the same wage basis, became effective in the fall of 1919 and continued in force until the spring of 1921. In making the award of last September for the current period the umpire abandoned this horizontal theory as erroneous and adopted the so-called "differential theory," that is to say, the scale fixed on the basis of the merits of each trade. There has been much insistence that the umpire now go back to the horizontal theory, but this he cannot do. All considerations of justice require that each trade be given the consideration and compensation to which it is entitled. In determining the wages to be fixed the umpire has in mind the present and past conditions of the building industry, not only in Chicago but throughout the United States.

CHAPTER XIII

NEW WINE IN OLD BOTTLES

It has been said that an arbitration award which is not accepted by one of the principal parties concerned is futile, and that the best service an arbitrator can render is to make his decision correspond as nearly as possible to the settlement that probably would have been made had the disputants not submitted their differences to arbitration. Such a statement implies an attitude of abandonment so far as the possibility of settling labor controversies on any basis of ultimate justice and reasonableness is concerned; it frankly presumes that under the present conditions of society any effort to decide wages and conditions by other than a compromise method is, as one student has expressed it, "if not merely chasing a will-of-the-wisp, at least seeking the unattainable."[1] Exponents of what might be called the "abandonment attitude" do not contend that the impossibility (from their viewpoint) of finding any criteria of abstract justice and the social undesirability of applying such criteria, could they be found, when the application might endanger acceptance of the award are, in themselves, indictments of the whole institution of industrial arbitration. Rather, they say, the social saving involved in the avoidance of prolonged disputes is the bulwark of the case for arbitration, and for this reason the chief concern of the arbitrator should be in rendering an award that will be accepted—even though this may mean merely a compromise.

The Landis award and the efforts to enforce it raise clearly the question of the validity of this viewpoint. Certainly this arbitrator did not work upon the hypothesis sketched in the preceding paragraph; his award was anything but a compromise

[1] Dr. F. H. Dixon, *Supplement to American Economic Review*, March, 1914.

based upon the theory that "that award is best that works best." Judge Landis had his own principles of justice and reasonableness—nineteen of them, as they appeared in the first paragraph of his award—and in the events following September, 1921, as well as in the award itself, one finds a case study, wider in its application than to the Chicago building market, which can well be used in an attack upon the questions of whether arbitration can be successful when it attempts to be something more than an approximate compromise and of whether any award is worth while when it is not accepted.

The situation created when Judge Landis rendered his award was practically without parallel in the history of the Chicago building trades. The unions and contractors had entered arbitration proceedings in order to settle a dispute concerning reduction of the minimum wage for skilled workers from $1.25 to one dollar an hour and for the unskilled workers approximately 30 per cent. Neither side had expected any such drastic developments as a restoration of differential wage scales, a reduction of the wage scale in a majority of the trades below that which the contractors had offered to pay, a re-writing of the uniform agreement in accord with the views and bias of the arbitrator, an implied dictum that wage scales should be maxima instead of minima as theretofore, and an imposing of a certain ethical obligation upon contractors dealing with unions that had withdrawn from the arbitration to employ members of these organizations upon no basis other than that which the arbitrator had declared "would be" fair and just. Business agents generally, as might have been expected, condemned the Landis award, and at the same time a considerable disposition was manifested by no negligible portion of the contractors to forget the new working rules written into the joint agreement, to take advantage of the lower wage scales when possible but to pay as much as the dollar an hour they had offered the workers (the difference being rep-

resented by "premiums") when necessary, and to make no very vigorous opposition to a return to the old basis.

The Building Trades Council officially ratified the award on October 1, 1921, in spite of the opposition led by Harry Jensen of the Carpenters' District Council. The representatives of the seven trades that had not been parties to the arbitration when the award was rendered—the Sheet Metal Workers, the Plasterers, the Painters, the Elevator Constructors, the Glaziers, the Fixture Hangers, and the Carpenters—voted against acceptance, and they were joined in their opposition by the delegates from the Plumbers' union.[2] The system of representation in the Building Trades Council, whereby the smaller unions were given representation out of proportion to their membership,[3] was all that saved the award from repudiation by the entire Council—if, indeed, an impartial tabulation of the votes at this meeting would have indicated a ratification.[4]

Both contractors' associations—the Building Construction Employers' Association and the Associated Builders—officially declared their intention to go ahead with construction work under the terms and conditions of the Landis award, employing non-union workers in the place of those who would not accept the arbitrator's decision. A number began to employ non-union carpenters at a dollar an hour, but there is no evidence that this step caused any great amount of unemployment on the part of

[2] Shortly thereafter (October 15, 1921) the Plumbers' Union voted to repudiate the award.

[3] See chap. iv.

[4] Some of the business agents say that in spite of Mr. Kearney's declaration that "the yeas have it," the award was not ratified at this meeting. The gathering was tempestuous, Mr. Kearney is said to have "lost his head," and all vestige of parliamentary procedure was lost. Agents who had taken private polls of the sentiment of the delegates say they are confident that a majority was opposed to ratification. On the other hand, one should remember that a vote of ratification was a rather superfluous procedure, since the agreement of the unions to arbitrate presumably involved a pledge of ratification in advance.

the 20,000 or more members of the Carpenters' District Council. In fact, the union carpenters began to work for independent employers at $1.25 an hour, and perhaps in some cases for members of the employers' association at a dollar an hour plus a "premium" wage in another envelope—without a definite contract but under conditions substantially the same as those embodied in the agreement that expired in May, 1921.[5] The same situation prevailed in the other trades, and both the Building Construction Employers' Association and the Associated Builders soon experienced very considerable difficulty in holding their members in line.[6]

Repudiation by the unions.—Other unions, in the meantime,

[5] Officers of the Carpenters' District Council, as was brought out in the preceding chapter, have always contended that they were not officially parties to the Landis award. A series of negotiations between the contractors and the officers of the Carpenters' District Council did take place immediately after Judge Landis had rendered his award, the purport of which has been summarized as follows: "The officers of the carpenters' union announced after numerous meetings with the contractors that the only contract they would sign was one wherein the contractors should write their signatures at the bottom of blank sheets of paper and they, the carpenter officials, would then write in the terms to suit themselves. Under such a challenge there was nothing left for the contractors, as self-respecting Americans, to do but operate with such help as would work under the terms of the Landis award" (Mr. T. E. Donnelley, "The Fight for Fair Play in Chicago," a pamphlet issued by the Citizens' Committee in March, 1925; reprinted from *Nation's Business,* February, 1925). The Committee Chairman calls the attention of the writer to the fact that his statement, as here recorded, is substantiated by an affidavit made by one of the parties to the negotiations in the suit of the Carpenters against the Citizens' Committee for an injunction, a short time later.

[6] Business agents have told the writer of instances in which contractors visited union meetings immediately after the award had been rendered, assured them that "the men were not going to suffer," and pledged themselves to pay the difference between what they had offered the unions when the dispute over wages was pending and the lower rates set by Judge Landis. Shortly after rendering his award, Judge Landis took the lathing contractors to task for paying more than his minimum. (This was before the union, which remained in the arbitration until the end, had repudiated the award.) "You see what a total lack of integrity there is in the building industry," Judge Landis was quoted in the press as saying. "They accept the award and then meet in a haymow and unanimously reject

were repudiating the Landis award. The original seven who were not parties to the arbitration when the award was rendered had always been "anti-Landis." They were joined in October by the Plumbers.[7] The Lathers, Cement Finishers, Composition Roofers, Slate and Tile Roofers, and Hoisting Engineers followed the example of the Plumbers in repudiating the award.[8] These unions, together with the seven that had not been parties to the final arbitration and those that later were declared "outlaw" and their trades put on the open-shop list, comprised considerably more than half of the mechanics and laborers in the Chicago construction industry.[9] With many contractors making no secret of their

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it. Just think of me having spent three months on this job, every night till after midnight, and then having this situation come up in the face of the solemn pledges."

[7] The position of the Plumbers has been a somewhat anomalous one since the Landis award was rendered. Officials of the union contend that they had virtually reached agreement with their contractors on a new contract before Judge Landis was selected as arbitrator, and that the Plumbers, together with the Plasterers and Painters, belong in the class of those who were under unexpired contracts when the award was rendered. The new contract was not signed until October 18, 1921, however, and it came as a result of a strike of several days' duration on the part of the Plumbers immediately after Judge Landis had rendered his award. The contract was in opposition to the terms of the Landis award. In view of the fact that their old contract expired at the time the other agreements did, in May, 1921, and that the new agreement was not signed until October, however, one is hardly justified in accepting the view of the union officials that the Plumbers belong in the class of those working under unexpired contracts when the award was rendered.

[8] This does not give a complete list of those unions that later became anti-Landis, inasmuch as some of those that originally ratified the award were declared "outlaw" a little later by the Citizens' Committee (see below, pp. 281–85).

[9] The anti-Landis group, exclusive of the Carpenters, which later elected its own set of Building Trades Council officers, was at one time issuing some 31,000 working cards as compared with about 14,000 issued by the Council of twenty-two unions that remained pro-Landis. When the membership of the Carpenters' District Council is added to that of the anti-Landis Council, it can be seen that the total membership of the anti-Landis group was more than three times that of the pro-Landis group.

lack of enthusiasm for the Landis award, with unions constantly repudiating it, with "premium" wages becoming the rule in certain trades,[10] with a very open disposition on both sides to ignore certain of the Landis working conditions, with the "good" unions that had accepted the award finding that in this case virtue was its own reward and its only reward,[11] and with the international officers of the unions with which the Chicago locals were affiliated urging, in some cases, a no-quarter fight against the entire award,[12] it looked for a time as though the Landis award might become little more than an award on paper.

The Citizens' Committee.—To meet this situation and make the Chicago construction industry "100 per cent Landis," there was formed the Citizens' Committee to Enforce the Landis award—the first organized and large-scale intervention in the affairs of the Chicago building trades by parties outside the industry. The Committee was organized under the auspices of the Association of Commerce, with the support of many architects and bankers, and its membership was made up of persons having

[10] The building boom which was getting under way at that time made the payment of premium wages inevitable, in spite of the attempt of Judge Landis to make his wage scales a maximum. A business agent said to the writer: "There is such a thing as the law of supply and demand, and you can't change this law, but I don't think Landis ever heard of it."

[11] The efforts of those business agents who felt that it was for the best long-run interest of the union memberships to ratify the award are in themselves an interesting story. At a majority of the meetings of the various unions (after the award had been ratified by the Building Trades Council) sentiment of the membership was overwhelmingly against acceptance. In some cases the memberships almost went to the extent of turning against business agents who had represented them for years. One agent, who has been an officer in his union since shortly after 1900, told the writer that he was "almost crucified" before the membership came to see his viewpoint and voted to accept the award.

[12] This statement does not apply to Mr. John Donlin, at that time head of the Building Trades Department of the American Federation of Labor, nor does it apply to the international heads of the Plasterers' Union, the Sheet Metal Workers' Union, and the Lathers' Union, who tried to persuade the locals to accept the Landis award.

no direct interest in the construction industry, however much interest some of them may have had in the issue of the open- versus the closed-shop. A program was announced by the Committee, the main points in which were:

1. Those employers who continue their operations under the terms and conditions of the Landis award will be encouraged and, when necessary, protected in their operations.

2. Those unions which accept the conditions of the Landis award in spirit and in fact will be supported.

3. The sale and use of material going into the building operations shall be free from arbitrary restrictions.

4. Contractors who refuse to operate under the Landis award deserve neither the encouragement nor the support of the public.

5. In those trades where unions do not accept the terms and conditions of the Landis award, work shall continue by workmen who are willing to work regardless of their union affiliation. These men will be protected and these trades will be permanently established on the basis of the open-shop.

The Committee has always pointed to the fact that it came into existence at the request of the contractors, and that as a condition of its formation it extracted a pledge of support from the employers' organizations. When the Carpenters refused to accept the recommendation of Judge Landis as to what "would be" a fair wage, and when the already referred to negotiations between them and the contractors resulted in no agreement, the contractors in this trade decided to operate on the open-shop basis, made arrangements for financing the fight, and started operations. Finding that the fight was to be more difficult than they had anticipated, they appealed through the heads of the Associated Builders and the Building Construction Employers' Association for aid from the Association of Commerce. In view of the conflicting opinions in regard to the extent to which the Citizens' Committee actually owes its existence to this appeal of the contractors, the Committee's own account should be presented in some detail:

At the request of Mr. Craig and Mr. Schlake, the Association of Commerce called together a meeting of representatives of some twenty or twenty-five civic bodies and asked this body for help. A committee was appointed to investigate the situation, and this committee reported back to the adjourned meeting recommending that a committee of citizens be formed to obtain the help of the citizens of Chicago in the contractors' determination to uphold the award. . . . . The President of the Association of Commerce appointed some two hundred citizens as members of the Citizens' Committee and this Committee selected an Executive Committee. This Committee [the Executive Committee] met with representatives of the two builders' associations and told them that the only basis upon which help could be gotten from the general public was on condition that the contractors would not compromise the issue. The public had seen long strikes occur time and again in the building industry, where these strikes had always been settled by a return to full monopoly of the unions, and the conditions after the settlement of the strike grew progressively worse than they were before. Upon this statement both contractors' associations and their individual members signed an agreement that in those trades where men would not work under the terms of the Landis Award, they would be operated on the open-shop basis and contracts would not again be made with those unions giving them a monopoly of the trade. . . . . The Citizens' Committee was not a self-imposed body upon the industry, but was invited in by the contractors themselves to help them on a very definite understanding to which the contractors agreed, and the Citizens' Committee's activities have been confined to helping the contractors make this fight and not making the fight themselves. . . . . No rules have ever been made by the Committee except in consultation with the contractors and subject of their approval, and the only controversy which the members of the Committee have ever had with the contractors was when certain contractors refused to live up to their pledges with their fellow contractors or their pledges with the Citizens' Committee.[13]

The Committee took the stand that it was an organization actuated solely by motives of civic betterment. The Landis award, which had been characterized by the chairman of the Dailey Investigating Commission as the "magna charta of industrial freedom," represented what these disinterested citizens re-

[13] Letter to the writer, May 4, 1925, from the Chairman of the Committee.

garded as a cleaner basis for industrial relations than any upon which the Chicago building trades had ever stood. The very apparent antagonism toward the award, not only on the labor side but on the part of some contractors and some materials dealers, constituted what those responsible for the organization of the Citizens' Committee regarded as a public menace; concerted action by the "better elements" was necessary if the industry was to be permanently established upon the lines laid down by Judge Landis. The Committee always made a distinction between fighting for "the open-shop per se" and fighting for the open-shop as "the only method permanently to establish protection against strikes and graft," and has called attention to the fact that it "has always made it a point in every way possible to back up those unions which accepted the award, and time and time again has influenced the contractors to live up to the letter of their contracts with these unions."[14]

Union officials, on the other hand, always regarded the Citizens' Committee as merely a manifestation of the national open-shop drive, stepping in because of the opportunity afforded by union resistance to the "Landis injustice." The chairman had been, they contended, at least indirectly identified with the open-shop movement, and the vice-chairman was pointed to as a man whose attitude was decidedly favorable to the open-shop. The source from which they professed to believe the Committee was receiving funds was also cited by business agents in their attempts to establish a close affinity between the Committee and the general open-shop movement.[15] In the fourth place, they said, the secretary-manager, Mr. Armstrong, was a man general-

[14] *Ibid.*

[15] The Chairman of the Committee, upon reading this sentence, comments: "The contributions of the Citizens' Committee came from all sorts of sources. The Committee never made a drive for money on the open-shop appeal, but on the appeal that it was trying to clean up the rottenness in the building industry, which did not need any argument."

ly known for his anti-union activities. He had engineered a successful open-shop drive in Duluth before coming to Chicago. And then, they said, there was what they called the "uncompromising attitude of the Committee toward unions holding out an olive branch" and signifying their intention to go along the Landis way;[16] there was its avowed intention of making the anti-Landis trades permanently open-shop; there was the fact that it continued its existence even though after May 31, 1923, there technically was no Landis award;[17] there were cases—two or three of them—in which the Committee declared unions "outlaw" because of what officials believed were rather minor and technical violations of the Landis agreement, which union officials say they did not authorize; there was the personnel of the entire Committee.[18]

The Committee opened offices in a Loop building, inaugurat-

[16] As discussed below, p. 286.

[17] The Landis award officially expired on May 31, 1923. The Chairman of the Citizens' Committee, in commenting upon the continued existence of the Committee as well as upon the "uncompromising attitude" toward those unions ready to surrender and upon its intention of making the anti-Landis trades permanently open-shop, says: "The Committee felt and still feels that if a certain number of the trades in Chicago can be maintained on the open-shop basis and the unions which now have contracts realize that if they break their contracts, they also will go on the open-shop basis, the whole question of sympathetic strikes and graft will be eliminated. On the other hand, the Committee is quite confident that if they acquiesce in the monopoly of any one of the present open-shop trades, the same privilege would have to be extended to all other open-shop trades, which would mean that the entire industry would again be turned back to union domination. If such should occur, the union leaders well know that never again in this generation will there be a concerted opposition to them, no matter what they do, and the industry would very quickly slip back into the old conditions. In fact, even today, on certain jobs where the unions know that the contractor is union and the owner is timid the old crowd have tried to 'shake down' the owner" (letter of May 4, 1925).

[18] The Executive Committee of the Citizens' Committee consists of T. E. Donnelley, head of the R. R. Donnelley printing concern; John W. O'Leary, an iron and steel manufacturer; John H. Hardin, an optical manufacturer; Robert

ed a campaign to raise sufficient funds, circulated among the architects a pledge of support, contemplated if it never actually followed the policy of urging bankers not to lend money on building projects unless the builders would agree to enforce the Landis terms, took over the employment office that had been started when the contractors began operating open-shop, started a training school, and began advertising in other cities for non-union men to take the places of the members of the anti-Landis unions. The Committee's figures showed, on March 31, 1925, that more than 25,000 workers had been brought to Chicago and that a total of 75,000 had been placed by its employment office.[19] These data do not, of course, take account of the turnover—and with men being brought from wherever available the turnover naturally was high, owing to the many inefficient workers garnered in such a process—nor do they take account of the men who were originally placed by the Committee but who later joined the unions.[20] A "protection department" of the Committee was formed under the direction of an ex-army officer,

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P. Lamont, of the American Steel Foundries; Joseph R. Noel, a banker; James A. Patton, a Board of Trade operator; Charles Piez, former chairman of the Emergency Fleet Corporation and president of the Link Belt Corporation; and John T. Pirie, of the dry-goods firm of Carson, Pirie Scott & Co. The entire Committee now numbers approximately 175.

[19] Data given the writer by the Citizens' Committee on March 31, 1925.

[20] The policy of the unions in regard to admitting to membership Citizens' Committee mechanics who "see the light" has varied. The Secretary of the Carpenters' District Council told the writer that the Council has followed the policy of taking in any who make application, prove to the Examining Committee that they are competent carpenters, and pay the initiation fee. The Carpenters have not, he said, made any efforts to solicit the membership of Citizens' Committee carpenters. The Plumbers, according to an officer, have admitted only a small number although there have been, the officer said, several hundred applications. The Lathers, on the other hand, have followed a policy of taking in Citizens' Committee lathers as rapidly as possible as a means of embarrassing the Committee. These cases are indicative of the variation in policy in regard to admitting to union membership the Citizens' Committee workers that has been followed.

who gathered about him a force of 700 guards. The city of Chicago was divided into districts according to area, each district having its supervising officers and a corps of guards. Each Landis award job was allotted without charge a guard for every entrance and each district had a flying squad of guardsmen equipped with a high-powered automobile.[21] Riot insurance was carried, during the first three years of the Committee's existence, on buildings valued at some $779,000,000. The Committee, according to its own statement, had spent about $2,000,000 by February, 1925.[22]

The "outlawing" of unions.—Fifteen unions were declared "outlaw" by the Citizens' Committee, non-union workers being brought in to take the places of the members—the Carpenters, the Caisson Diggers, the Cement Workers, the Fixture Hangers, the Gasfitters, the Glaziers, the Hoisting Engineers, the Laborers, the Lathers, the Painters, the Plumbers, the Roofers, the Sheet Metal Workers, the Sprinklerfitters, and the Terrazza Workers.[23] According to the statement of the Committee, the

[21] From *The Fight for Fair Play in Chicago.* Mr. Donnelley, in speaking of the protectionist activities of the Committee, also says: "Protection . . . . was vital. For years nobody believed that any building trades mechanic not carrying a union card could work in Chicago. Many of the union officials had obtained their power in the union through the use of professional sluggers and gunmen as their henchmen, and these crews were only too ready to 'educate' any man who attempted to break the union monopoly. In one case, forty-two automobile loads of these gentry were started out to give 'the works' to a force of non-union men on a certain job. . . . . This force [the Committee's corps of guards] never attempted to match the slugging tactics of the unions."

[22] *Ibid.* In speaking of the amount of money expended this article, by the Chairman of the Committee, continues: "This sum in itself looms rather large, but it is around one-fourth of one per cent of the $779,000,000 of building which has been done. Our expenditure is so far less than the graft individual contractors would have paid under union domination that it is not worth mentioning. Our work can truthfully be called self-supporting. And we believe it will be found just that wherever it is undertaken."

[23] It will be noted that two of the unions which dropped out of the arbitration proceedings in the summer of 1921—the Plasterers and the Elevator Con-

Carpenters, who were declared "outlaw" by the contractors (members of the Associated Builders) before the Committee came into existence, were put on the open-shop basis because "they refused to abide by the recommendations of Judge Landis and make a new contract based on the terms of the Landis award."[24] The Plumbers were put on the open-shop list because they "refused to abrogate a new contract which they had forced upon the employers and would not give up its terms and accept terms of the Landis award and its wage scale." The new contract referred to is the one signed on October 18, 1921, after the Plumbers had struck for a few days in September. In fact, the union continued to work under this contract during the period from October, 1921, until the making of a new contract with the Master Plumbers in May, 1923. The Hoisting Engineers and the Laborers were declared outlaw because, according to the Committee, they "went on strike." The Hod Carriers' and Laborers' District Council, however, has contended that it made a sincere effort to have its membership live up to the terms of the award, but that some of the men went on a strike not authorized by the officers. The Citizens' Committee, according to the union statement, gave the Hod Carriers' and Laborers' Council twenty-four

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structors—do not appear on this list. In spite of the fact that these unions were anti-Landis, the Committee did not formally declare them "outlaw." The Elevator Constructors later reconsidered the matter and decided to sign up on the basis of the Landis agreement. The Plasterers' contract, which did not expire until some time after the arbitration proceedings, stated that this union should have the highest wage scale conceded to either the Bricklayers or the Carpenters. The contractors took the position that the highest wage under the Landis award was $1.10 an hour and that the Plasterers should reduce theirs to that amount. After some consideration, the Plasterers' Union agreed to do this, and as a result was not declared "outlaw." However, union members began receiving "premium" wages almost immediately.

[24] These statements of the Committee's professed reasons for putting each of the trades on the open-shop basis were given the writer by the Assistant Manager of the Committee.

hours to get the men back on the job—an unreasonably short time in the opinion of the officers. Efforts to get all the workers back on the struck job within that time were unsuccessful, and the Laborers were declared "outlaw."[25] Officers of the Laborers' Council have cited this instance as an evidence of unreasonableness on the part of the Committee and of a desire to institute the open-shop whenever possible. The Committee, on the other hand, has contended that for some time there had been intermittent strikes by the Laborers and that "the Committee did the best it could to get the matter straightened out. Finally, the strike became quite general, and if building was to be continued the Committee had to supply laborers to the contractors to take the place of the strikers. When that had once been done, there was nothing for the Committee to do but to retain these men."[26] In part, the outlawing of the Laborers was the result of a struggle for leadership within their District Council, and the strike which the officers say was "unauthorized" was called by an officer not recognized by the faction which later gained control. In justification of its outlawing the Council, the Committee points out that "the officer who at that time seemed to have the upper hand was the leader of this strike."[27] The Painters, never parties to the arbitration, were not declared outlaw until after the expiration of the contract under which they had been working at the time of the arbitration. When this contract expired the Committee declared open-shop in this trade because the Painters' District Council "would not accept the Landis award." When the Painters' contract expired in 1922, the officers declared that they could not accept the Landis award because they had not been represented before Judge Landis.[28] To the proposal that

[25] Interview with an officer of Hod Carriers and Laborers' District Council.

[26] Letter from the Committee Chairman. [27] *Ibid.*

[28] Who had, it will be remembered, stated in his final award what "would be" a fair wage for the Painters, who were not parties to the arbitration.

Judge Landis be requested to reopen the hearing the Painters objected, as might have been expected in view of the unpopularity of the Landis award among the workers generally by the spring of 1922, and they were accordingly put on the open-shop list. There is little evidence, however, that members of the Painters' unions did not find plenty of work under closed-shop conditions during the period of the 1922–27 building boom, in spite of the number of painters imported into Chicago by the Citizens' Committee. The Glaziers' Union, part of the Painters' District Council, was declared "outlaw," according to the Committee, because the members "went out in sympathy with the Painters." The Glaziers were originally parties to the arbitration, but dropped out during the summer of 1921 when Judge Landis objected to "certain impossible conditions insisted upon by employers and employees, apparently with the sole purpose of effecting a monopoly and unnecessarily occasioning waste." The position in the arbitration of the Fixture Hangers and Sheet Metal Workers had been virtually the same as that of the Glaziers. The provisions of agreements submitted by the workers and employers had been unsatisfactory to the arbitrator, and both unions dropped out of the proceedings. They were declared "outlaw" shortly after the Committee was formed for "refusing to accept the terms and conditions of the Landis award." The Committee's statement concerning the outlawing of the Lathers is: "They would not accept the terms and wages of the Landis award. Even the international presidents were unable to get the local union to go along." The Caisson Diggers,[29] Terrazzo Workers, Sprinklerfitters, Cement Finishers, Composition

[29] The Caisson Diggers were not declared outlaw until they went on strike in violation of the agreement. The union is affiliated with the Hod Carriers and Laborers' District Council, which originally accepted the award. The statement of the Committee that they were declared "outlaw" for "refusing to accept the award" is, therefore, a trifle misleading.

Roofers, Slate and Tile Roofers, and Gasfitters[30] all were declared "outlaw" for the same reason—refusal to accept the Landis award.

Disruption of the Building Trades Council.—The account of the Committee's "outlawing" of the anti-Landis unions anticipates somewhat, however, the story of what had been happening within the labor organization. Feeling ran high against Tom Kearney, president of the Building Trades Council, during the months immediately following September 7, 1921. It was Mr. Kearney who let Judge Landis start the fracas by going into rules, "in spite of the fact that I told Tom just what would happen if he let the Judge get at rules," as more than one business agent has said.[31] The Carpenters threatened to withdraw from the Council if the earlier ratification of the award was not rescinded and the Council did not openly announce a repudiation.[32] Others of the anti-Landis group threatened to leave, and some of them, while not formally withdrawing, ceased to send

[30] The Gasfitters' local had been ordered by the international in 1920 to affiliate with the Steamfitters' local, but the local officers had refused to recognize the validity of the amalgamation order. Many of the individual members did take out cards in the Steamfitters' organization, a pro-Landis union, however, and in this manner came to work under the Landis conditions.

[31] It is interesting to note the number of business agents who say they predicted "just what would happen" and urged Mr. Kearney not to let the arbitrator exceed his jurisdiction by going into rules. Probably many of these agents know, in their saner moments, that they would have done about what Mr. Kearney did under the same circumstances; but the feeling against Tom Kearney, on the whole a popular leader, is indicative of the way the rank and file will turn against a leader when he is unsuccessful in negotiations over those basic things in which business unions are interested—wages and conditions.

[32] The Carpenters had, of course, no technical right to membership in the Building Trades Council at this time, owing to the fact that the National Brotherhood of Carpenters and Joiners was no longer a member of the Building Trades Department of the A. F. of L. Strictly, the Carpenters had had no right to membership in the Chicago city central since 1920, the time of the withdrawal of the National Brotherhood.

their representatives to the meetings of the Council.[33] Finally Mr. Kearney, discouraged, resigned from the presidency of the Council on January 20, 1922, and William Curran of the Plumbers' Union was elected to succeed him.[34]

Although the election of Mr. Curran was a limited victory for the anti-Landis unions of the Council,[35] an attempt was made by the unions to reach an agreement with the Citizens' Committee. A resolution approving the Landis award was introduced by Michael Artery of the Machinery Movers and seconded by William Guenther of the Gasfitters; the resolution was passed; and it was concurred in by more than half of the unions that had been declared "outlaw."[36] The passing of this resolution marked the nearest approach to surrender on the part of the insurgent unions.

The refusal of the Citizens' Committee to recede from its position, after the passing of this resolution by the Council, probably solidified opposition to the award within the Council. Mr. Curran, while nominally carrying out the official policy of the Council—that of going along with the award—was in the anom-

[33] One should keep in mind the fact, however, that the Council formally included both the anti-Landis and pro-Landis unions except Carpenters and Plumbers for more than a year after the Landis award had been rendered. It was not until October, 1922, that the Council was reorganized with only the pro-Landis unions as members. The Carpenters left in May, 1922; the Plumbers, February 22, 1922.

[34] Mr. Kearney, it may be remembered, had served since October, 1920, when he succeeded Simon O'Donnell, who had been president since 1911. See pp. 42.

[35] It will be remembered that the Plumbers had repudiated the award before this time and was one of the first unions to be declared "outlaw" by the Citizens' Committee.

[36] Not by the Carpenters, however. The "outlaw" unions at this time were the Carpenters, Plumbers, Hoisting Engineers, Cement Finishers, Lathers, Fixture Hangers, Sheet Metal Workers, Composition Roofers, Slate and Tile Roofers, and Laborers. The others listed in the enumeration of those declared "outlaw" were not put on the open-shop list of the Citizens' Committee until later.

alous position of being head of a central labor body pledged to accept the Landis terms and conditions and at the same time head of a member union on record in its opposition. Meanwhile, the Council was being divided into three factions: the conservatives under the leadership of Peter Shaughnessey, Edward Ryan, Michael Boyle,[37] and others; the distinctly anti-Landis unions, led by Harry Jensen and possibly given moral support by Fred Mader; and the Artery-Guenther group, pro-Landis on the award question but unwilling to see the leadership of the twenty-two unions that had ratified the award remain in the hands of the Boyle-Ryan-Shaughnessey faction.[38] When Mr. Curran saw the futility of trying to bring harmony out of such a situation he announced that he would resign; and on February 17, 1922, Fred Mader of the Fixture Hangers, another "outlaw" union, became president of the Council.[39]

If more proof was required to show that the Building Trades Council could not exist half-Landis and half-anti-Landis, the events of the Mader administration furnished that proof. Shortly after his election, Mader announced a policy of "going along the Landis way." But the events of the spring and early summer of 1922 gave the Citizens' Committee reason to assert that the officially pro-Landis Building Trades Council was exerting all its energies toward bringing a restoration of the conditions claimed by the Dailey Commission to have obtained up to 1921.

[37] It is entirely proper to classify Mr. Boyle as a "conservative" in this connection. He was one of the leaders in demanding a ratification of the award, he had stood for the Uniform Form of Agreement since the Electrical Workers' strike of 1918, and the agreement for his trade presented to Judge Landis during the arbitration proceedings was one with which the arbitrator found least fault.

[38] Mr. Guenther's union was not declared "outlaw" until later, and Mr. Artery's never was. These two men later affiliated themselves with the outlaws in backing a rival set of officers.

[39] Mr. Edward Ryan, later head of the Building Trades Council, was slated for the presidency when Mr. Curren resigned. It is said that when the candidacy of Mader was announced, Mr. Ryan refused to let his name go before the meeting.

A series of bombings on buildings being erected under Citizens' Committee supervision commenced, and in one of these bombings two policemen were killed. The City Council of Chicago inaugurated an investigation of the Citizens' Committee, but this investigation—like the majority of investigations—resulted in nothing. Mr. Gompers came to Chicago, said that Judge Landis had exceeded his jurisdiction in every way, urged the unions to present a united front either for acceptance or for rejection of the award, and promised them his support in either case. On April 30 thousands marched in a monster parade of protest against the award and the Committee.[40] In May the Carpenters voted formally to withdraw from the Building Trades Council, and resolutions were introduced calling for a general strike unless all buildings were withdrawn from the open-shop basis and employment refused non-union men. Taking cognizance of the fact that the unions, by their quarrels among themselves, were doing more to aid the cause of those interested in seeing the open-shop established than these persons could themselves do, President Donlin of the Building Trades Department of the American Federation of Labor and the presidents of the international unions represented in the Department visited Chicago, in July, 1922, in an effort to effect a reorganization of the local Council under leadership that could represent all factions.

Intervention of international officers.—President Donlin took the stand that the Landis award must be ratified. Unsatisfactory as it was, he reasoned, and much as the arbitrator had exceeded his jurisdiction, the award was still a closed-shop award. The unions would do much better to accept the obnoxious Landis conditions and even, if necessary, the Landis wage

[40] The parade was led by Arthur Wallace of the Painters' District Council, Emmett Flood, and Mr. Mader. Some of the banners displayed, indicative of the psychology, read: "We are citizens, also able to organize a Citizens' Committee"; "Who is this man Landis?" "Would Landis work for 95 cents an hour?" "Landis raised his salary to $50,000 a year and cut ours."

scales—which few of them were having to do, since the building boom made the payment of premium wages inevitable—than to be permanently placed on the open-shop basis. After May 31, 1923, the international officers reasoned, the Landis award would be a thing of the past; acceptance now by all the unions would give the Committee less excuse for continuing its existence after the expiration of the award. Although President Donlin was firm in his position that the Landis award must be accepted and the Building Trades Council reorganized by unions "favorable" to it, he made efforts to get the "outlaws"—increased in number by this time to thirteen—to come back for the eleven months that the award still had to run. From a union viewpoint it now appears unfortunate that the "outlaw" unions were not able to see Mr. Donlin's viewpoint.

As a result of the insistence of the international presidents that the Council be reorganized with only "pro-Landis" unions as members, Mr. Mader announced his resignation late in July, 1922, and in October the conservatives gained control.[41] Edward Ryan of the Architectural Ironworkers was elected president; Patrick Sullivan of Electrical Workers No. 134, vice-president; and the incumbent, James J. Conroy, secretary. The reorganized Council included the twenty-two "pro-Landis" unions, but the membership of these unions was considerably less than half that of the "outlaws" who were excluded from the organization.

The policy of Mr. Ryan was in line with the proposals that had been made by President Donlin the previous summer. He issued an invitation to all the "outlaws" to return to the Council and accept the Landis award until its expiration. In order to bring about harmony among all factions within the reorganized

[41] During the period between Mr. Mader's resignation in July and Mr. Ryan's election in October, the Council had no president. James J. Conroy, who has been secretary since 1913, managed routine details, but the Council was dormant so far as the taking of any steps representing a definite policy was concerned.

Council, he appointed an Advisory Committee consisting of Mike Boyle, Edward O'Rourke of the Plasterers,[42] who had been Mr. Ryan's opponent in the election, Michael Artery of the Machinery Movers, leader of the anti-Boyle faction, Peter Shaughnessey of the Bricklayers, and Charles Rau of the Steamfitters. The outlaws still refused to return, and the organization on the labor side continued in this state throughout the autumn of 1922 and the winter and spring of 1923.

Matters drifted for a time—the Building Trades Council composed of twenty-two unions representing less than half the mechanics and laborers in the construction industry; the "outlaws" working in some cases for independent contractors and in others for members of the employers' associations, without contract but under conditions much like those prescribed in their own constitutions; the Citizens' Committee "spending money like water and willing to spend lots more if necessary," as one of its officers said; wages rising to such an extent that the Landis differentials ceased to have any significance; the international union officers and Mr. Ryan making futile attempts to reunite the split Building Trades Council; and many contractors beginning to wish they had not pledged themselves to go the entire route with the Citizens' Committee.[43] Both sides waited for the expiration of the award.

[42] The Plasterers had by this time made the new agreement mentioned on p. 282, and were going along with the award in spite of the fact that they had not been parties to the original arbitration.

[43] Many of the contractors criticized the Citizens' Committee because it requested all contractors agreeing to Landis conditions—which meant in theory if not in fact all affiliated with either the B.C.E.A. or the Associated Builders—to pay a 1 per cent tax to the Committee on all work done in Cook County. The Citizens' Committee has tended to minimize the importance of the 1 per cent payment by contractors, the Chairman having expressed the matter as follows: "I am at a loss to see why the question of one percent appears such an argument in opposition to the Citizens' Committee. I, personally, never heard of an objection on the part of a contractor. The one percent was intended as a subscription by

The American Federation of Labor intervened again as the time for making new contracts approached. President Donlin of the Building Trades Department wrote a letter to the Building Construction Employers' Association, asking that the members "forgive and forget" and make agreements with the "outlaws." His request was answered by the Citizens' Committee in a formal circular giving a "Statement of Policy," in which it was declared:

The Citizens' Committee believes that to recognize these unions [the outlaws] and again restore them to a full control of their respective trades would mean that all effort, time, and money spent would be wasted, and that the public would again be abandoned to the mercy of those unscrupulous or misguided labor leaders whose power for the last eighteen months has been eliminated from the industry. . . . . The history of the building industry in Chicago for the past forty years was full of labor controversies, ending either in complete surrender on the part of the contractors or in compromises and, as a consequence, labor conditions had grown progressively more arbitrary, lawless, and burdensome to the public. . . . . In every large center of population where building was 100-percent unionized, the industry was throttled by strikes, sabotage, restriction of output, boycott of materials, graft, and a constantly mounting cost. Where open-shop conditions prevailed there was free and uninterrupted construction and lowered costs. With these facts in mind, the Committee concluded that a continuing peace in the building industry was only possible where the power of trouble-making unions was permanently curtailed, and the conditions upon which the Citizens' Committee to Enforce the Landis Award agreed to organize and function were that the contractors would sign a pledge to support those unions which abided by their contracts and the Landis Award, and that where unions either repudiated the award or their contracts, the contractors would declare those trades open-shop and would hold no further

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the owner putting up the building toward the work of the Citizens' Committee in guaranteeing his uninterrupted building operations. The Committee felt that in this way those who were directly obtaining the benefit would be paying their proportion of the expenses. In all cases the owner was to be notified of this one percent, and if he objected it was not figured. I know of no case where the contractor was embarrassed in competition on account of the inclusion of this one percent" (letter to the writer, January 12, 1926).

negotiations with those unions. . . . . The unions in several of the open-shop trades, realizing that they have been defeated, now are willing to accept the terms of the Landis Award and are anxious to make such agreements. The Citizens' Committee believes that to change its policy that those trades once established on the open-shop basis shall remain so permanently would be disastrous. The Committee is convinced that if a union can repudiate its agreement and strike, thereby causing great loss and inconvenience to the contractors and the public, and then, when unsuccessful, simply by words of repentance can be restored to power to repeat the same breach of contract at the opportune time, there will never be peace in the industry. . . . . The Committee has no faith in the effectiveness of Mr. Donlin's proposal that the new agreement might be underwritten by the national officers. . . . . Should the present situation be compromised by restoring contractual relations with these unions, the conditions would be even worse than before, because the lawless and vicious leaders whom the decent leaders are unable to control will reason that they have beaten the contractors and public, and no effective opposition to their arbitrary demands can again be organized within a generation. . . . . The Committee believes that victory is in sight and to quit now would be betraying its trust to the public and its contributors, and it has pledged itself to support, to the extent of its ability, those contractors who are determined to see the matter through.[44]

Attitude of the contractors.—Pressure to consider its work done was brought upon the Committee not only from labor sources, but also from no small number of contractors. The large general contractors, who did a nation-wide business, were in constant fear that strikes would be called upon them in other cities if they did not make contracts with the Chicago locals on the "outlaw" list. The Committee's answer to these contractors was that "Chicago cannot let conditions in other cities determine the labor policy of Chicago, and these contractors should either operate in Chicago in conformity with the Chicago practice or temporarily retire from the Chicago field"[45]—an alternative that cannot have made a strong appeal to these contractors. Antag-

[44] Quoted from *The Policy of the Citizens' Committee to Enforce the Landis Award,* a folder issued by the Committee in the spring of 1923.

[45] *Ibid.*

onism of the general contractors toward the Committee was accentuated by the way in which it was, many of them believed, advancing the wage scale in other cities. Some of these contractors believed that the employment bureau of the Citizens' Committee had simply transformed a local shortage of building mechanics into a national shortage more rapidly than would have otherwise been the case, with the consequent raising of the wage level in other places.[46] Many of the subcontractors objected to the payment of 1 per cent to the Committee on all work done in Chicago, and some of them protested that the mechanics furnished by the Committee were not competent workmen. The payment of the fee was especially obnoxious to the pro-Landis contractors in that they were obliged to pay as high wages as did the independents, who profited by the better grade of workmanship supplied by union members. By hiring members of the outlaw unions as individuals, the contractors who were members of the associations could secure the same grade of workmanship as did their independent competitors, but they were still under the handicap of being required to pay the 1 per cent fee to the Committee. Contractors feared, also, that transfer to the open-shop basis would force them to part with valued employees who had been in their service for years. Practically all the independent contractors were, of course, antagonistic to the Citizens' Committee because of what they considered vigorous methods of economic pressure used by the Committee in carrying out its principle that "contractors who refuse to operate under the Landis

[46] The Committee advertised in the newspapers of other cities and sent out its own printed material to workers elsewhere. In March, 1922, the City Council Committee, appointed to investigate the activities of the Citizens' Committee, intimated that it was considering a plan to transfer an appropriation for the municipal lodging-house to the sending back of building-trades workers brought to Chicago from other cities. One must remember, however, that the building boom was then getting under way and that building-trades workers were not an important part of the army of the unemployed.

award deserve neither the encouragement nor the support of the public." The independents also looked with disfavor, in some cases, upon the training school of the Citizens' Committee, saying that while the training of apprentices was in itself a laudable undertaking, no school started in a labor fight could succeed.[47]

Increasing bitterness against the Citizens' Committee was also being expressed, just prior to the expiration of the Landis agreements, by the Building Trades Council, then composed only of pro-Landis unions, because of the way the Council professed to believe that the Citizens' Committee was claiming credit for having reorganized the city central body. It should be made clear that the Committee, officially, always took the stand that its dealings were strictly with the contractors and that it had no interest in the organization of the Building Trades Council. On the other hand, it is equally true that certain individuals friendly to, if not directly affiliated with, the Committee gave it credit for having brought about a cleaner régime in the central labor organization—and perhaps the labor officials did not discriminate carefully, at times, between the statements of duly constituted spokesmen of the Committee and those of its self-appointed spokesmen. Officials of the Council held that the membership itself had eliminated Fred Mader and his group, and that the Citizens' Committee spokesmen, authorized or volunteer, were casting unwarranted aspersions upon the membership when they im-

[47] The Citizens' Committee says that up to 1925 it had trained approximately 500 youths in its school. The course given is only about six weeks in length, after which the apprentices go out on jobs. During the remainder of their apprenticeship, however, they attend school one day a week. Journeymen who desire to qualify as foremen are given free instruction at the Committee's night school. The Committee says that no distinction is made between union and non-union journeymen and that no propaganda of any kind is disseminated. It should be said, also, that the Committee tends to discount the antagonism of the independents toward the training school. As one of the officers puts it: "They [the independents] paid nothing for it, and why they should use this as an argument against the Citizens' Committee is beyond me."

plied that the Council would not have become "clean" of its own accord. The turning down by the Committee of the overtures of the six unions ready to surrender—the Fixture Hangers,[48] the Laborers, the Terrazzo Workers, the Hoisting Engineers, the Roofers, and the Cement Finishers—also strengthened the belief of many of the members of the "good" unions that the Committee was using them merely as tools in its efforts to establish the open-shop permanently throughout the entire industry.

Abandonment of the differential wage scale.—The Landis agreement, as formulated during the arbitration proceedings of 1921, was readopted by the Building Trades Council and the Building Construction Employers' Association, effective from May 31, 1923, to May 31, 1926, with two important exceptions. The set of working rules which Judge Landis had insisted must be appended to the agreement and made part of it were no longer made obligatory upon the part of the contractors' associations and unions incorporating in their contracts the Uniform Form, and the old horizontal wage scale for the skilled trades of $1.25 an hour as a minimum was readopted for the year 1923–24.[49] The agreement of the Associated Builders with the Bricklayers' Union[50] incorporated all the Landis provisions and was in essence the Uniform Form of the Building Construction Employers Association minus recognition of the Joint Conference Board.

Although the Citizens' Committee took the official stand that

[48] It was not until the summer of 1923, a couple of months after the Landis agreement had expired, that the Fixture Hangers' local was dissolved.

[49] The most important changes in working rules had been written into the agreement itself by Judge Landis, and these were, of course, continued in the 1923–26 agreement. The set of appended working rules, made obligatory in the agreement adopted just after the arbitration and recommendatory in the 1923–26 contract, pertained to hours, reporting for work, overtime work, and shift time.

[50] The other unions with whom the Associated Builders had dealings were on the open-shop list; therefore no agreements were made in 1923.

wages were a matter in which it was not concerned, the return to the horizontal wage scale violated one of the essential principles of the Landis award. The arbitrator had, it will be remembered, characterized the horizontal scale as being "fundamentally erroneous," and he had insisted that the rate he fixed should be the sole rate paid in any trade. In the new agreements, the wage rate set for the trades going along with the award was understood to be a distinctly "minimum" scale.[51] Also, what was practically a horizontal minimum scale for the trades that had been put on the open-shop list was established during the building boom of 1923. The Plumbers, Carpenters, Fixture Hangers, Gasfitters, Glaziers, and Lathers were given $1.15 an hour; the Hoisting Engineers, $1.25; the Cement Finishers, Caisson Men, Composition Roofers, and Terrazzo Mechanics, $1.10; the Caisson Niggerhead men, 95 cents, and the Laborers, 72½ cents.

[51] The attitude of the Citizens' Committee on the return of the horizontal wage scale has been set forth by the Chairman as follows: "Wages were a factor in the original Landis Award findings. The Committee never objected to paying over premiums to individual unions as long as the wage scale was recognized by the union, because the Committee realized that the law of supply and demand controlled the situation. When, in 1923, the contracts came up for renewal, the Committee's attitude was that wages were something to be fixed between the contractors and the unions and that all the Committee was insisting upon was that the uniform agreement, as written by Judge Landis, should be incorporated. The Committee has always felt that the principles were the important thing to fight for and that wages were a question of supply and demand and entirely outside the province of the Committee. Under those circumstances the Committee did not feel that it was violating any essential principle of the Landis Award." The Committee has also called attention to the fact that the horizontal wage scale established for the trades that had been put upon the open-shop list was in fact fixed by the contractors working under the Landis award and that in spite of the fact that they are generally spoken of as the Committee's wage scale, the Committee's function was merely to publish the rates the contractors had already established. The Chairman of the Committee has put this phase of the matter as follows: "The Citizens' Committee never established any wages. The contractors decided what wages they thought were fair and equitable, and the Citizens' Committee published them" (letters of May 4, 1925, and January 12, 1926).

Election of rival officers in the Building Trades Council.—Shortly after the new agreements had been entered into, the "outlaw" unions, seeing from the determination of the Citizens' Committee to continue its existence that concerted action on the labor side was necessary, returned to the Building Trades Council, and for a short time the central labor organization included both the pro-Landis and the anti-Landis unions. All the unions which had been placed upon the open-shop list except the Carpenters presented their credentials at a meeting of the Council on June 20, 1923, while the Carpenters' District Council, which had no technical right to membership in the Chicago Council at that time, owing to the fact that the National Brotherhood of Carpenters and Joiners was not affiliated with the Building Trades Department of the American Federation of Labor, returned a short time later.

But the return of the outlaws meant little, for the time, so far as the presenting of a united labor front was concerned. Immediately after the reaffiliation, these unions contested the election of Mr. Ryan as president, on the ground that his election had come at an irregular time,[52] elected their own officers, and insisted that their organization was the "real" Building Trades Council of Chicago. The only essential difference between the situation of 1922–23 and that of 1923–24 was that during the first-named period the outlaws had been without an organization among themselves, while during the latter they had a set of cen-

[52] It will be remembered that the Chicago Building Trades Council never adopted in its entirety the constitution for local councils of the Building Trades Department of the A. F. of L. (see chap. iii), but was to be governed by the National Department only "in national and international matters and in regard to representation." The question of election periods was one of the matters in which the local constitution was not in harmony with that of the National Department, the local constitution providing for yearly elections at the last meeting in January. The fact that the Council was reorganized as a pro-Landis organization in October, 1922, meant that Mr. Ryan's election had to come at an irregular time.

tral officers and called themselves "the Building Trades Council."

Although the real issue between the two groups was that of policy regarding the Landis award, the lines of demarcation were not clear cut. The outlaws were joined in their opposition to the Ryan-Conroy régime by Mike Artery of the Machinery Movers, head of a union that had always accepted the Landis award and remained in the Council, and a member of Mr. Ryan's Advisory Committee,[53] and by William Guenther of the Gasfitters' local, that had lately become extinct through affiliation, under orders from the international officers, with the Steamfitters' Union. Arthur Wallace, head of the Painters' District Council, which had been under unexpired contract at the time of the Landis arbitration, had refused to accept the Landis agreement when this contract expired, and had always been anti-Landis in every way, was elected president of the rival Council, and William Guenther secretary. The election of the "rump" set of officers was accomplished in spite of the efforts of President Donlin of the National Department to prevent such a development.

From the labor viewpoint the election of a rival set of officers was the most discouraging development that had taken place in some time. The restoration of the horizontal wage scale, the continual practice of considering the wage rates as minima instead of as maxima, the dropping of the Landis working rules so far as their obligatory feature was concerned,[54] recent bolts from Citizens' Committee domination by several of the most im-

[53] Before the "outlaws" left the Council in October, 1922, there had been three groups contending for leadership, it may be remembered (see *ante*, p. 287): the pro-Landis Boyle faction, the pro-Landis Artery faction, and the anti-Landis group. The first two remained in the Council after the reorganization in 1922, but no permanent harmony was established between them.

[54] I.e., the rules that had been appended to the agreement by Judge Landis, not the more important changes which he incorporated into the thirty-two articles of the agreement itself.

portant general contractors in Chicago, and the disposition on the part of many subcontractors to hire members of the outlaw unions as individuals, all indicated a swing of the pendulum back to what might rather loosely be called the "normal" state of the Chicago construction industry—the state in which contractual relations obtain in all trades and union conditions prevail throughout. The re-establishment of normal relations was delayed at least a year by the election of the opposition set of officers. More important, from the viewpoint of the pro-Landis business agents, the fact that *a* building trades council, if not *the* Building Trades Council, was on record in its repudiation of the award—even though the award had expired—gave the Citizens' Committee an additional reason for continuing its existence.

The dispute went to the 1923 convention of the Building Trades Department of American Federation of Labor, with the result that the international officers of the unions concerned were instructed to meet in Chicago and effect some kind of settlement. Following the professed American Federation of Labor policy of conciliation rather than of mandate, the international officers held a number of meetings both in Chicago and in New York during the autumn of 1923 and the spring and early summer of 1924—each Chicago Council issuing its working cards in the meantime and conditions remaining much as they had been during the previous year, when the "outlaws" were out of the regular Council and were without an organization of their own. Owing to the increasing amount of building, members of these unions found plenty of work, partly with independent contractors and partly with members of employers' organizations who hired union men as individuals. Wages advanced, in some instances, to as much as $18.00 a day.

Reunion of the labor factions.—As a result of the intervention of the international officers, all unions that had been mem-

bers of the Building Trades Council in 1921 except the Carpenters[55] agreed in March, 1924, to affiliate in one Council, be governed by the "constitution for local councils" that is part of the constitution of the National Department, and accept as president and secretary whomsoever the delegates might elect. As a result of the graduated system of representation in the Building Trades Council, Edward Ryan of the Architectural Ironworkers, one of the pro-Landis leaders, was elected president over Arthur Wallace, head of the "outlaw" Painters' District Council. The Building Trades Council, which had been technically split since the reorganization of 1922, and to all practical intents and purposes ever since the Landis award was rendered, was at last in a position aggressively to oppose what it looked upon as assaults upon the closed-shop. More important, the conservative character of Mr. Ryan's leadership and the fact that when he was succeeded in 1925 by Patrick Sullivan, of Electrical Workers No. 134, the leadership of the Council was still retained by a man whose organization had never been outlawed put the Council in a much more favorable light before the public than would have been the case had leadership shifted to one of the anti-Landis group.

The reunion of the labor factions marked the beginning of a period characterized by a rather clear tendency to revert to the system of collective dealing that had obtained from 1911 to 1921, when the market was thoroughly organized and closed-shop conditions obtained throughout. Members of the twenty-two "good" unions continued to work on buildings and jobs with non-union men of the outlawed trades until the expiration of the 1923–26 agreements on May 31, 1926, but it cannot be said that

[55] Two—the Fixture Hangers and Gasfitters—had become extinct in the meantime, the former affiliating with Electrical Workers No. 134 and the latter with Steamfitters' Local No. 697.

workers in the outlawed trades suffered greatly as a result of the influx of Citizens' Committee mechanics. While the central contractor associations and their association members were pledged to the enforcement of the Landis award, individual members of these organizations did make contracts with the unions whose trades had been put upon the Citizens' Committee's open-shop list. In May, 1924, a number of the skilled trades were granted minimum wage rates of $1.37½ an hour, while a few signed contracts upon the basis of $1.50 an hour. Another general advance came in 1925, and under the contracts expiring May 31, 1926, the Bricklayers, Electricians, Plasterers, Sprinklerfitters, and Steamfitters received minimum wages of $1.50 an hour; the Elevator Constructors, the Architectural Ironworkers, the Structural Ironworkers, the Marble Setters, the Carpenters, and the Stone Cutters, $1.37½ an hour; the Tile Setters, $1.30 an hour; and the Laborers in their contracts with independents and with contractors making individual agreements $.82½–$.93 an hour. Three of the unions which had been placed upon the "outlawed" list—the Lathers, the Painters, and the Plumbers—also made agreements with independent contractors and with individual members of the associations under which they were granted $1.50 an hour, while the Cement Finishers and Hoisting Engineers made agreements with independents and individual members of the associations at minimum rates of $1.37½ an hour.

The return to closed-shop conditions.—It was inevitable that the reuniting of the labor factions and the aggressive campaign inaugurated to restore the entire industry to the closed-shop basis should have brought a forcing of the issue when the three-year contracts expired in May, 1926. In the spring of that year the Building Trades Council issued an ultimatum that in the future its constituent unions would not permit their mem-

bers to work on buildings or jobs with non-union men of other trades, the "statement of policy" declaring:

> Building projects now in course of construction shall not be interrupted because the contractor or contractors may be employing non-union men on the job. However, if these contractors take future contracts with the intention of continuing to employ non-union men in any building trades, then the affiliated unions will proceed in accordance with the agreements which they have heretofore submitted to the employers on all buildings where such contractors are now employed. In case any contractor who agrees to accept the agreements submitted by the union has in his employ mechanics who are not members of the affiliated unions but who qualify as competent, the local union in that trade will accept such mechanics as members. Should any local union affiliated with the Building Trades Council refuse to comply with the foregoing policy, the Chicago Building Trades Council will refuse to support such union. We believe the carrying out of this policy and of the proposed agreements is essential to the maintenance of a fair standard of wages and of workmanship. We further believe that it is in the public interest, since it will stimulate lower, not higher, building costs. . . . . We have long questioned the fairness and good faith of those who are attempting to prevent the adoption of the agreements as submitted.[56]

Acceptance of this demand by the contractors, as the majority of those affiliated with the Building Construction Employers' Association finally did accept it in November, 1926, involved, of course, abandonment on their part of the Citizens' Committee, which insisted that the trades already placed upon the open-shop basis should remain permanently non-union.

With the demand for a restoration of the closed-shop throughout the industry went also the demand on the part of some of the unions for higher wages. The Plasterers asked a minimum rate of $1.75 for the 1926–27 period, went out on strike on May 7 when the employers refused to grant the increase, and finally, on May 29, accepted the compromise offer of the contractors of $1.62½ an hour, effective until May 31, 1927. The Bricklayers and Steamfitters also asked an increase from $1.50 to

[56] Statement issued by the Building Trades Council on May 27, 1926.

$1.75 an hour. In July, however, the Steamfitters accepted a compromise whereby they began receiving $1.56¼ an hour on January 1, 1927. The Bricklayers signed a one-year contract at $1.50 an hour, but were later, under the clause that they were to receive as high a wage as that paid in any skilled trade, granted $1.62½. The Carpenters, Painters, Lathers, Structural Ironworkers, Cement Finishers, and others then receiving $1.37½ an hour asked minimum rates of $1.50. The Ironworkers, after a strike, accepted a compromise whereby they were to receive $1.37½ an hour until October 1 and $1.50 an hour from October 1, 1926, to May 31, 1927. The Painters and Lathers succeeded in getting one-year agreements at $1.50 an hour, and since they also benefited by the provision that their wages should be as high as those of any skilled group, were later granted $1.62½ an hour for the 1926–27 period. On May 29 the Carpenters' District Council entered into a three-year agreement with a group of the largest general contractors in Chicago whereby the minimum wage rate was to become $1.50 an hour after October 1 and the unions were to have the right to declare a strike whenever nonunion men in any building trade were employed on buildings or jobs where union carpenters were working. Other unions received increases, and in the spring of 1927 the Bricklayers, Lathers, Plasterers, Glaziers, Painters, Stone Cutters, and Tuck Pointers were receiving $1.62½ an hour as a minimum; the Carpenters, Cement Finishers, Gasfitters, Plumbers, Composition and Slate Roofers, Sheet Metal Workers, Asbestos Workers, Hoisting Engineers, Boilermakers, Composition Floor Finishers, Marble Setters, and Terrazzo Workers, $1.50 an hour; the Electrical Workers, Sprinklerfitters, and Steamfitters, $1.56¼ an hour; The Elevator Constructors, $1.57½ an hour; the Machinery Movers, $1.40 an hour; the Mosaic and Tile Setters, $1.30 an hour; the Stone Planer Men, $1.17½ an hour; the Stone Derrickmen, $1.15 an hour; the Marble Setters' Helpers

and Tile Setters' Helpers, $1.00 an hour; the Caisson Workers, $1.05 to $1.20 an hour; and the Common Laborers, 90 cents an hour. Wages paid in many cases, of course, exceeded these minimum rates.

No general strike occurred when the three-year agreement between the Building Trades Council and the Building Construction Employers' Association expired on May 31. In accordance with the Council policy of refusing longer to permit union men to work on buildings or jobs with non-union men in the trades declared "outlaw" by the Citizens' Committee, however, strikes were called on two large building projects in the summer of 1926. Although the Citizens' Committee announced its intention to furnish non-union men to take the place of the strikers and its inability to continue supporting the Electricians, Structural Ironworkers, and other unions whose members had struck, the contracting firm surrendered on September 5 and announced that in the future it would be "100-percent union." This victory strengthened the position of the Building Trades Council in its demand for a new closed-shop uniform agreement covering all the trades, and finally in November, after several weeks of negotiations between Secretary Craig of the Building Construction Employers' Association and President Sullivan of the Building Trades Council, a new Uniform Form of Agreement, conceding the union closed-shop demand, was adopted, effective until May 31, 1929.

The new agreement cannot be considered other than a victory for the unions over the Citizens' Committee and the contractors who have gone along with the Committee. Under its provisions the system of arbitration in vogue within the trades since 1915 is continued, the eight cardinal principles are reiterated, and, most important in view of the situation since 1921, this clause is included:

This agreement shall not be construed to require members of the party of the second part to work with non-union workmen engaged in building construction nor to work for members of the party of the first part on any building or job for any firm or person having construction done in Cook County by non-union workmen, provided the union of the trade in which such non-union men are working is a member of the Building Trades Council which has a similar agreement with the recognized association of employers.

The unions are obligated, however, to refrain from leaving work for 48 hours after proof that the contractor is employing non-union workers has been submitted to the Joint Conference Board. Both parties to the agreement once more pledge themselves to abide by the decisions of the Joint Conference Board and the National Board of Jurisdictional Awards, and the principle of "no cessation of work" pending an arbitration in any trade is continued. Employers are granted the right to maintain their own training schools, and unions are obligated to receive apprentices so trained as journeymen after they have been adjudged competent by a board composed of representatives of both workers and employers. When the union is unable to furnish the employer with skilled workers within 48 hours after the request has been made, the employer is free to secure such workmen as are available and the union is obligated to issue weekly permits to such men until it can furnish the required mechanics; the Landis provision that during the second 48 hours of the 96 hour period after the giving of notice the employer could hire only members of the national or international union has been dropped. The blanket provision in the Landis agreement that workmen in any trade may use tools "similar to or the same as" those used in their own trade has been modified, and the matter of the use of similar tools is to be determined in the future according to the provisions in the agreements of the particular trades concerned. Fines for violation by either party are increased under the new agreement, and the provision in effect

since 1915 that fines should be paid into the treasury of the Joint Arbitration Board has been repealed, fines now being paid directly by the one party to the other.

All unions with which the Building Construction Employers' Association members have agreements except the Carpenters[57] are included in the new contract, while the Carpenters have their own three-year closed-shop contract with the large general contractors. In accepting the foregoing clause the contractors have obligated themselves to cease hiring non-union workers in the trades that have been declared "outlaw" by the Citizens' Committee; in effect the new agreement means that the central association of contractors has left the Committee. Although the majority of the trade associations and individual contractors affiliated with the Building Construction Employers' Association have signified their intention to incorporate the new Uniform Form of Agreement in their contracts with the unions in the various trades, plans were under way in 1927 by more than 100 contractors, said to employ about 10,000 men, to form a separate organization and operate under Landis award conditions, employing non-union workers in the "outlawed" trades. The Citizens' Committee, in the meantime, had announced its intention to continue its existence and its willingness to aid all contractors wishing to go along with it.

Accomplishments of the Citizens' Committee.—In spite of the fact that the Chicago building industry was in some ways on a cleaner basis in 1927 than it had been for some years before 1921, it cannot be said that the new wine went entirely well in the old bottles. Organized workers and organized employers had too long been accustomed to settle their differences in their own way; the appearance of organized outside pressure ran counter to the psychology of both parties, each of whom had been accus-

[57] The application of the Carpenters to reaffiliate with the Building Trades Council was rejected by that body on November 19, 1926.

tomed to think in terms of collective dealing. Were building construction employers enthusiastic apostles of the open-shop, the new wine might have gone a little better on one side, at least; but, for reasons indicated in the first part of this study, it so happens that building-construction employers are not very enthusiastic about abolishing the closed-shop. On both sides there was a longing for the system of collective dealing of the pre-Landis days.

At the same time, it is not possible to absolve either the workers or the employers from ultimate responsibility for the conditions that followed the Landis award. However much the prevalence of graft in the building trades may have been exaggerated and however much harm some of the grand juries may have done certain innocent individuals by a promiscuous returning of indictments, corruption was too prevalent before 1921. The conditions unearthed by the Dailey Commission had a considerable influence in bringing the public to believe that the building trades needed a policeman—an office that the Citizens' Committee undertook to fill. The sympathetic strike, outlawed throughout the industry since 1915 by the Uniform Form of Agreement and in many of the trades since 1900, had, nevertheless, been resorted to rather frequently. Unreasonable claims as to jurisdiction had led to unwarranted stoppages. Some of the working rules, discussed in chapter ix, were monopolistic and uneconomic.[58] The restriction on the use of materials and virtual elimination of competition by some of the employers' associations are factors that cannot be ignored in an enumeration of the background conditions responsible for the appearance of the Citizens' Commit-

[58] It is surprising to find the number of business agents who admit that "part of it was the unions' own fault." The particular agent with whom one is talking is generally careful to exclude his own union from this statement, but there is, nevertheless, a realization on the part of a majority of the union officials that they are partly responsible for the fact that part of the industry was put on the open-shop basis between 1921 and 1926.

tee, the consequent disruption of the central labor organization, and the establishment of open-shop in some of the trades.

Nor should the work of the Committee in eliminating some of the unsavory conditions that characterized the industry in 1921 be minimized. The Committee claims that it has eliminated graft and monopolistic combinations and has reduced to a minimum the number of jurisdictional disputes; that it has protected not only open-shop workers but those employed in union trades as well against the machinations of dishonest leaders; that "the principles of the award have been maintained"; that "there have been no strikes, there has been no graft, there has been a free market for materials"; and that "the Committee has demonstrated that courage and persistency, when in the right, will beat down lawlessness and has broken the power of the criminal element among the union leaders in the building trades to terrorize the working community."[59] Its position has been that the peculiarities of the construction industry—the lack of intermarket competition and the "cost plus" characteristic—have meant that building is not a private matter between workers and contractors, and that as buildings are one of the primary necessities of life an organization representing the "party of the third part" has every right to a voice in the working rules and customs.[60] Critics of the Committee have said that the investigation of the Dailey Commission and indictments returned by the

[59] From *Landis Award Journeyman,* a monthly publication of the Committee sent to Landis award workers, and *Policy of the Citizens' Committee.*

[60] As the Chairman puts it: "If by a contract between the employers and employees the building trades are thoroughly monopolized, it makes no difference to the contractor what the wages are, because the public has to pay them. As building is one of the primary essentials of life, I feel that the public has a right to be considered. I am confident in saying that the workmen have fared better under the enforcement of the Landis Award, have received higher wages with less interruption than at any time in their lives. But it has taken a long time to educate many of the contractors to the fact that these practices which have grown up in the building industry are not essential to it. I think the fact that the con-

grand jury have been as much responsible for the fact that the cycle of graft appears now to be in the depression period as have the activities of the Committee; that the successful prosecutions of monopoly cases in the federal court seem to have been the biggest factor in putting a stop to monopolistic practices; and that under the principles of American constitutional government public officials have the duty of maintaining law and order and breaking the power of the criminal element.[61] It is true that the "principles" of the award have not been maintained with complete success and that in fact many contractors, in hiring members of the "outlaw" trades as individuals, have tacitly acquiesced in conditions virtually the same as those to which Judge Landis objected. But evils and economic wastes have been reduced. Jurisdictional disputes and sympathetic strikes between 1921 and 1927 were only a fraction of the number in like periods before 1921, and a majority of the changes which Judge Landis believed would work for greater economies than a mere reduction of the wage scale have been in operation to at least a limited degree. For whatever good it has accomplished in these directions, the Citizens' Committee should be given credit.

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tractors have learned the public pays has been more influential in prejudicing the 'independent contractors' against the Landis Award than anything else" (letter of May 4, 1925).

[61] The Chairman of the Citizens' Committee, in expressing his disagreement with critics advancing these arguments, says: "I cannot agree . . . . that the United States Courts and the Dailey Commission have been more responsible for improving conditions than the Citizens' Committee. They were both very powerful allies of the Committee, but things like this cannot be cleaned up without an aggressive campaign. We have opened up a free market for sheet metal work and mill work which was not opened up before and we have done much with graft and sympathetic strikes which I do not believe any newspaper exposes would have accomplished" (*ibid*).

CHAPTER XIV

CONSEQUENCES AND THE OUTLOOK

An evaluation of the kind of industrial relations that has obtained in the Chicago building trades inevitably entangles itself with the vivid setting of current conditions. Since 1921 a definite and concerted effort has been made to operate part of the industry on the open-shop basis. Some twenty-two of the unions—more than once in violation of the rules of the internationals—have permitted their members to work on buildings and jobs with non-union workers of other trades. Only recently has the labor organization again presented a united front and commenced an aggressive campaign to restore the entire industry to the closed-shop basis. Thousands of non-union workers have been imported into the market, yet by a more or less accidental conjunction of circumstances wages have been higher, work as steady, and the material prosperity of the workers as great as at any time in the history of the Chicago building trades. Contractors as well as organized workers have been divided in their attitude toward the new conditions established by a group divorced from any direct interest in the industry. It is in the light of these present and immediate circumstances that the problem of a relatively long-run appraisal of industrial relations presents itself.

The public has had a case against the construction industry. Although the acute housing shortage under which the community suffered in 1921 and the high cost of building have at times been too facilely attributed to conditions growing out of the system of industrial relations, the arbitrator of 1921 spoke with a considerable degree of truth when he characterized building as a "diseased industry." What these wastes and abuses—the jur-

isdictional disputes, the unwarranted resort to the sympathetic strike, the violence, the monopolistic combinations, the restrictive character of some of the rules, the graft, and at times the bad leadership—have been, how they grew up, what steps have been taken to eliminate them, and the manner in which they were in large part responsible for the appearance of the police organization from outside the industry have been pointed out in the preceding chapters.

But has the institution of collective bargaining discredited itself in the Chicago building market? Throughout this study an acquaintance with the underlying philosophy and objectives of "business unionism" has been presupposed. This philosophy and these objectives have not in themselves been questioned. The assumption underlying both the narrative and the discussion of special problems has been that where the objects of unionism have been better working and living conditions, a higher standard of life, a voice in the control of the workers' industrial environment by these men themselves, the public has had no legitimate complaint. This assumption will be neither questioned nor defended at this point. An attempt has been made to point out how many of the rules and practices that have grown up are simply defensive mechanisms of the workers against dangers which they believe to be very acute in the construction industry, and to differentiate between rules and practices of this character and those which can truthfully be said to be uneconomic and antisocial. Yet a majority of the real wastes and abuses, things that gain the average worker nothing and that constitute the public's legitimate indictment of the industry, emerged during a period when strong organization obtained on both sides and collective bargaining prevailed throughout. Can it fairly be said that these conditions were primarily a result of closed-shop conditions? Does a long-run viewpoint indicate that a partial or complete abolition of collective bargaining would accomplish more toward

elimination of these uneconomic practices than might be obtained through a system whereby workers and employers work out their problems jointly? Can the socially undersirable concomitants of this system of collective bargaining be eliminated without destroying the institution itself?

One conclusion, surely, can be drawn from the foregoing chapters: strong organization on one side is unsatisfactory if it is not offset by approximately equal organized strength on the other. Under such conditions there is always a tendency for the strongly organized side to do things because of possessing the power to do them. Perhaps collective bargaining throughout industry in general is nothing more than an armed truce, but if the truce is to be of any considerable duration there must be something like equal strength and quick unity of action on both sides. This need of an offsetting organization on each side is even greater in the construction industry than in a majority of lines of economic activity, for the peculiarities of this business make it a fertile field for abusive, sometimes criminal, activities on the part of individuals in control of the organized side. The régime of Skinny Madden stands out as the clearest case in point. The workers had organized their trade unions early, they formed a strong central body in the early nineties, and under the bizarre but short-sighted leadership of Madden they dominated the situation throughout the decade of the nineties. And because the unions had too much strength for their own good, because they were not checked by a central employers' organization of equal strength, they began to abuse their power—abuses which eventually reacted to the injury of the rank and file of the labor organizations quite as much as to the injury of the employers.

Nor has the experience of these workers and employers proved that a situation in which neither side possesses a centralized organization is any more satisfactory. The too decided swing of the pendulum to one side in the late nineties brought

its reaction. The employers, generally lethargic toward the need of organization, found their existence as contractors threatened; they organized, declared war on the Building Trades Council, shattered that organization, and were in control for the first time when the twentieth century opened. But forgetting the painful lessons that had been administered to them before 1900, the employers again became indifferent toward the need of concentrated strength, while the workers found opportunity for a gradual rebuilding and strengthening of their individual unions and the establishment of a new Council. The period was one of increasingly ineffectual organization on the employers' side and, until late in the decade, of a considerable amount of decentralization on the labor side. From the viewpoint of those primarily interested in seeing stability of relations established within the industry, the developments were just as unsatisfactory under a régime of decentralization on both sides as they had been when one side was thoroughly organized and the other was not. Jurisdictional disputes, "framed" sympathetic strikes, graft assessments, and "make work" rules began to appear again, and the public continued to pay the price. It took a second lesson to teach the contractors the need of eternal watchfulness and sustained organization. But the second lesson proved effective, the employers formed a strong organization once more, and for the decade following 1911 something approximating equality in bargaining strength obtained.

As compared with the consequences of the previous conditions, the experiment in collective bargaining based upon strong and centralized organization on both sides proved superior. More constructive steps toward stabilization of relations were taken between 1911 and 1921 than in any period of equal duration. It was during this period that an arbitration board for the entire market was set up. The first standard trade agreement for the industry as a whole was adopted. Both sides found that by com-

promise they could come to fairly satisfactory understandings regarding their rules, principles, and trade practices. Jurisdictional disputes, by no means entirely eliminated, were materially reduced in number. The arbitration machinery, in spite of itself rather than through its own efforts, did begin establishing certain precedents that may in the future be the basis for an industrial common law in the construction industry. To be sure, relations under the régime of centralized organization on each side fell far short of what might have been desired. Neither side was able at all times completely to control its membership. With the exception of the lockout of 1900, the most bitter and prolonged disputes occurred during this period. Although the 1915 Uniform Form of Agreement marked a distinct step toward stabilization, not all the unions at any one time subscribed to this document. The inherent weakness of a system of arbitration resting alone on the good faith of the parties to it, that no method existed for enforcing the decisions when self-interest of one party impelled a violation, was manifested more than once. Yet by the end of the 1911-21 decade the approximate balance of power system, in spite of its many shortcomings, had proved itself superior to decentralization on both sides and to strong organization on one side alone.

To say that the history of industrial relations in this market points clearly to the conclusion that strong organization on one side should be offset by strong organization on the other does not in itself, however, constitute a final vindication of the kind of collective dealing that continued from 1911 to 1921. The range of abuses which gave a background for the arbitrator's decision in 1921 grew up under centralized organization and closed-shop conditions, in spite of the fact that the offsetting of the strength of the workers by an organization of the contractors did much toward a stabilization of relations. Can these abuses be eliminated without destroying in part the institution of collective bar-

gaining, or is the Citizens' Committee correct in its contention that the only security of the building and renting public rests in having part of the industry permanently open-shop? In an industrial society that offers no royal road to a complete and happy reconciliation of the divergent interests of different social and economic classes, how can innocent third parties be protected without taking away from the workers their most vital element of strength—their organization?

The foregoing chapters have failed somewhat in their purpose if they have not implied rather clearly two things: (*a*) that the truly uneconomic practices that have grown up have not been a necessary part of the system of collective bargaining from the viewpoint of the welfare of individual workers, but (*b*) that there is always a tendency, in spite of the fact that these wastes are not an integral or necessary part of collective dealing, for uneconomic and abusive conditions to appear in the construction industry when the market is generally organized on both sides. Always, of course, one must be careful in one's differentiation between what practices really are wasteful and uneconomic and what practices merely have been so regarded in the popular estimation. The measurably valid reasons for many of the much-attacked working rules were indicated in chapter ix, and an attempt was made to point out how many of the rules really have not been responsible for any appreciable increase in the cost of building. But the story of collective dealing before 1921 and the discussion of the special problems that have been encountered did indicate that there is always a tendency for abuses and wasteful practices to appear in the construction industry, even though they are not a necessary part of the successful collective bargaining, when both employers and workers are generally organized. The localized character of the industry, the relative absence of outside competition, the extreme subdivision of operations, the high degree of craft consciousness, and the chang-

ing technology—all these afford opportunity for jurisdictional disputes, unwarranted sympathetic strikes, graft, and monopolistic combinations.

Collective bargaining would not be undermined were these practices forever eliminated from the industry, but the practical problem which presents itself is whether there is any means by which the tendency for these wastes constantly to appear under a régime of organization on both sides can be offset without the necessity of putting part of the industry permanently on the open-shop basis—without, in other words, emasculating the institution of collective bargaining of which these practices are no integral part. If the answer to this question is in the negative, a corollary question naturally following is whether the cost of these abusive practices, if they inevitably must accompany collective bargaining, is great enough to offset what is here believed to be the undesirability of giving the open-shop a permanent wedge in the Chicago building market. The difficulty of checking the tendency for these evils to appear under collective bargaining is exceedingly great in an industry lacking intermarket competition. But if there is no means of checking this tendency, then one is faced with the necessity of turning to one of two unsatisfactory alternatives: either, first, the advocacy of a system of industrial relations substantially the same as that obtaining from 1911 to 1921 together with an admission that under such a system evils of the type discussed in this study are inevitable; or, second, the indorsement of the program of keeping part of the industry permanently open-shop.

Neither of these alternatives is a happy one. The immediately preceding chapter has indicated the manner in which the appearance of pressure from outside the industry and the placing of some of the largest trades on the open-shop basis ran counter to the psychology of both employer and worker, each of whom had been accustomed to think in terms of collective dealing. More

important, it is believed, is the fact that the outside pressure is likely, if it remains, permanently to weaken the labor organization. Credit to the Citizens' Committee for what it has accomplished in making the industry cleaner must not blind one to the potentialities of an organization of this type, even though this may not be the present intention of its members, in injuring permanently the bargaining mechanism of the rank and file of building-trades workers. The other alternative is no more happy. To accept collective bargaining with the understanding that the tendency for the evils that have been discussed to accompany it cannot be checked would be to ignore the large element of validity in the public's case against the industry. Which of these alternatives should be chosen, were it necessary to choose between them, is a question going back to the individual reader's scale of values.

The belief which this chapter seeks to set forth, however, is that a choice between these two unsatisfactory alternatives is unnecessary. It is believed to be unnecessary in the light of three distinct facts: (*a*) certain forces are at work within the industry itself which may operate toward an elimination of some of the wasteful and abusive practices if encouraged by sources not looked upon with suspicion by the workers and contractors; (*b*) organized encouragement of such forces can be provided; (*c*) a potential police organization can, under proper leadership, be maintained which will not be under the necessity of remaining permanently in the industry for the purpose of keeping certain of the trades on the open-shop basis but which will, by the fact of its existence and its ability to intervene, act as a deterrent to the practices which have caused the public at times to look upon the building industry as a thing diseased.

The forces at work in the industry for an elimination of the practices deserving condemnation have only in part manifested themselves concretely. The machinery for the settlement of jur-

isdictional disputes, both national and local, is one evidence of a distinctly more conciliatory attitude than observers of the industry in 1900 believed could be developed. The general acceptance of the standard agreement is another. Neither the establishment of the machinery of jurisdictional awards nor the acceptance of the uniform agreement brought all the results hoped for by the more enthusiastic exponents, but they are, if nothing else, visible manifestations of a tendency within the industry that should be encouraged. Other forces are of a less tangible character. Whether the rank and file have realized it—and even the leaders themselves, for that matter—there has been an underlying struggle between two types of leaders in the unions for some time. This statement does not refer to the recent elections in either the Building Trades Council or the member unions; rather it refers to what seems to be a largely inarticulated attitude toward leadership on the part of the rank and file, not definitely associated with the names of particular leaders. Many of the older trade unionists in Chicago—men who have community interests not directly connected with unionism—are coming to feel that leadership in the building trades has not been entirely good, and that the institution of unionism has, by some of the practices, been put in a bad light before the public. Encouragement from outside the industry by persons who clearly have no personal interest to serve and who are not suspected of being chronic opponents of unionism can do much to aid the more desirable side in this as yet nebulous conflict of ideas and policies. The awakening of the rank and file to the fact that they have nothing to gain by tolerating leaders who play the labor game for what it profits them in the way of thinly disguised graft and the growing realization on the part of some contractors' associations and some union leaders that monopolistic combinations which seek to exclude out-of-town materials will bring convictions un-

der the anti-trust laws are forces within the industry working toward an elimination of some of the grosser evils.

The problem of how organized encouragement may be afforded these forces working within the industry itself against the evil concomitants of the system of collective bargaining is a somewhat delicate one. The sporadic utterances of public-minded citizens are almost futile. The editorial policy of some of the Chicago newspapers does not have the confidence of the workers. Still, if public opinion is to be a means of encouraging the forces within the industry working toward an alleviation of the uneconomic accompaniments of collective bargaining, public opinion must be organized and made articulate. It must not be organized by groups believed to be directly or indirectly interested in the open-shop movement—whether such a belief is substantiated by fact or not. The names of specific groups and organizations need not be mentioned here, but there are in the city institutions distinctly non-partisan in labor matters and there are individuals of recognized ability and integrity whose friendliness toward the legitimate objects of unionism has not been questioned. Groups and individuals of this type almost invariably appear to offer their help when a general strike or lockout has commenced or is pending, but their efforts are generally both temporary and disorganized. Concerted and sustained support of the individuals and programs working toward elimination of those concomitants of collective bargaining that are thought by some to have discredited the institution itself are necessary if the difficulties that are sure to arise in the future are to be attacked and solved in a manner which will involve neither the unhappy alternative of abolishing in part collective bargaining nor the equally unhappy alternative of accepting with collective bargaining the undesirable features that have accompanied it in the past.

Finally, in the enumeration of the facts supporting the con-

clusion that it is not necessary to accept either of the two unsatisfactory alternatives, has been cited the fact that a potential police organization can, under proper leadership, be maintained which will not be under the necessity of remaining permanently in the industry, as the Citizens' Committee now feels called upon to do, but which will, by the fact of its existence and ability to intervene, act as a deterrent to the undesirable practices that grew up before 1921 but were no essential part of the institution of collective dealing. The need for such an organization rests upon two sets of facts: the characteristics of the building industry and of the Chicago market which tend to make the trades a fertile field for the antisocial practices; and, second, the fact that encouragement of the desirable forces at work in the industry is not in itself sufficient. The profit to individual leaders in some of these practices is too great, the forces of tradition and inertia are too strongly imbedded, for the public to rely alone upon an organized fostering of better leadership, better policies, and a sense of social responsibility. Encouragement of the ameliorative forces in the industry would avail little without some means of curtailing the worse. An organization such as is here suggested would not need to go into the industry with the intention of making some of the trades permanently open-shop when abuses forced its intervention; rather its attempt should be to avoid the necessity of intervening by the fact of its presence and potential power to do so. Collective bargaining and closed or preferential shop conditions could prevail throughout. The organization should, according to the conviction underlying this part of the suggested program, have a clearly drafted and definitely understood platform. This platform should allow full scope for the union-shop and for collective bargaining throughout the industry. The organization should make clear its friendliness toward unionism, but it should also state with equal clarity its intention not to tolerate those practices which have

injured the rank and file of the workers as well as the industry in general. More conservative labor leaders, in fact the great majority who have not profited by the ill-repute into which a minority have almost led the profession of the business agent, could subscribe to such a platform, as could the great rank and file. The potential power of such an organization to step into the industry when necessary to prevent violations—even, if necessary, temporarily to place some of the trades upon the open-shop basis—would in itself be an important deterrent to graft, combinations, and unjustified restriction in the working rules. The fact that the organization when it intervened in the affairs of one or several of the trades would be understood to be there only until the abuses had been eliminated, but that its return if the abuses returned would also be certain, would put it in a vastly different light before the workers from that of a body coming in during a fight between the contractors and workers and announcing its intention to remain "for all time." With a program not anti-union and with a personnel conducive to enlisting the support of the rank and file of the unions, such an organization would tend to place the leaders under a somewhat different type of responsibility to their rank and file; there would be pressure upon the leaders from the union memberships to cease the abusive practices, gaining the members nothing, which had brought about the intervention.

The form such an organization should take may be subject to question. One possibility is that the Citizens' Committee reorganize itself into a body of the type broadly sketched in the preceding paragraph. Such a procedure would, it should be said, give the Committee an opportunity for a graceful exit from its present stage, should it desire one. The Committee might without great difficulty announce that for the immediate present, at any rate, its work of making the building trades cleaner has been accomplished; that it would withdraw as an organization bent

upon keeping the "outlawed" trades permanently open-shop; but that it would retain its organization, function as a vigilance society, and intervene once more if conditions similar to those exposed by the Dailey Commission and denounced by Judge Landis should again appear. From the viewpoint of those primarily interested in seeing the institution of collective bargaining maintained with the evils that accompanied it before 1921 eliminated, however, the Citizens' Committee hardly seems the best agency to function as a friendly watcher over legitimate collective bargaining and as a potential policeman in case criminal or antisocial practices should appear. In the first place, the Committee is not willing to see the open-shop fight abandoned in the "outlawed" trades, and probably it would not be willing to leave the scene now, even if it could retain its present membership and support as an organization of the type here suggested. In the second place, the program sketched for this proposed organization is one with which many members of the Committee could not agree. Finally, there is the fact that the workers, rightly or wrongly, regard the Committee as a branch of the open-shop movement—an attitude which would work against the success of an organization friendly to collective dealing, hoping it would not be called upon to exercise its potential power to intervene in the trades, but ready to oppose to the limit the abuses enumerated in its platform. Perhaps the organization of civic bodies and disinterested citizens already suggested as a means of fostering what seem to be the better tendencies now working themselves out within the industry or struggling with counter-tendencies would be the best agency to serve the function here suggested. Were the organization formed upon the lines already broadly suggested, it would deserve the confidence of those within the industry who have no sinister motives to serve. Administrative reasons might, to be sure, dictate that a separate organization or a subdivision of the first be delegated

to this task as acting as a potential citizens' committee. But the important fact from the viewpoint of this study is not so much the arrangement of concrete details; rather it is the necessity of finding some means of curbing the tendencies which do appear when strong organization obtains on both sides and outside intervention is absent.

With the feeling on the part of those in the industry—both workers and contractors—that they want no interference from the outside, one who has studied them and their problems can feel a large degree of sympathy. Yet this sympathy must not blind one to the fact that under nearly ten years of non-interference the workers and contractors developed a range of practices which few will condone. The program that has been suggested rests essentially upon the belief in non-interference so far as practices of the nature thought deserving of condemnation are avoided. If these practices are permanently avoided, then the program is one of permanent non-interference; if they appear, then the program is one of intervention until they have been eliminated again, always with the intention of permitting union-shop conditions except during such times as the abuses make temporary operation on the open-shop basis a necessary punishment.

No illusions are held regarding the popularity of such a program among those in the industry. Its appeal to the Citizens' Committee will, for reasons already indicated, be very slight. The workers are opposed to all vestige of outside influence, actual and potential. They are supported in this attitude by perhaps a majority of the contractors. Nor is there any claim that the general program sketched is superior to others that might be suggested. Numerous variations and perhaps fundamental improvements may be proposed. Still, it is worth remembering that unless some program along the general lines here indicated is resorted to, there remain the two alternatives which cannot be

viewed with entire satisfaction by third parties interested in both the welfare of the workers and the economic efficiency of the industry: the alternative of accepting the costly concomitants of the system of collective bargaining before 1921 and the alternative of a partly open-shop industry. Between the complacent pessimism of the former alternative and the danger to unionism and the wage-earners' standard of life of the latter, the Chicago building industry and the Chicago public must sooner or later take their places.

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